
Access and Inclusion in 2018

Consumers' experiences in communications markets

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1. Overview

This report sets out Ofcom's consumer research findings on issues such as take-up of services, devices, affordability and engagement with the communications market. It focuses on consumers whose ability to participate in these markets and society may be affected by factors such as their age, disability, income and their experiences of the communications and postal markets. Participation in communications markets and society will not always be affected by factors such as age, disability or income, but we consider that a person's ability to participate is more likely to be affected if two or more of these factors apply to them. We are also aware that people's circumstances can change over time, and life events such as bereavement or illness can temporarily reduce people's ability to participate in society, or increase their dependence on certain communications services.

Ensuring all consumers can easily access the communications services they need is at the heart of what Ofcom does. Our work to protect all consumers, particularly those in vulnerable circumstances continues, and the findings from this report will help inform that work and any necessary action from industry, Government and others.

As a research report, this document is not focused on Ofcom policy proposals. However, our ongoing work to protect vulnerable consumers is explained in section 2.

What we have found – in brief

The way older consumers (aged 75+) are using telephones is changing. Landline ownership fell significantly in 2018 and has coincided with a rise in the number of people aged 75+ living in mobile-only households (up to 6%). Smartphone take-up continues to increase among this age group; just under one in five now personally use one. However, they are less likely to consider this their most important device for connecting to the internet, tending to prefer larger devices for internet access. While their broadband ownership has increased in the last few years, it remains significantly behind that of other age groups – just under half of older (75+) consumers do not have home broadband.

People who are financially vulnerable are less likely to have each of the main communication services, and if they do have broadband it's less likely to be superfast. People classified as 'most financially vulnerable'¹ are less likely to have a landline, mobile, fixed broadband and/or pay TV and are more likely than average to live in a mobile-only household (28% vs. 21%). One per cent of households in this group say they have neither a landline nor a mobile in their household. Three in ten of the 'most financially vulnerable' group live in households without any internet access and 8% have access only via a mobile. Those who do have broadband are significantly less likely than average to have a superfast connection (28% vs. 40%²).

Disabled people are generally less likely than non-disabled people to personally use most communications services and devices. Overall, the largest disparities are found in smartphone ownership in households (where 53% of disabled people have a smartphone in their household compared to 81% non-disabled people) and in internet use (67% of disabled people use the internet compared to 92% of non-disabled people).

However, there are differences by disability type. People with a learning disability display similarities in their use of communications services to non-disabled people. They are more likely than those with other disability types to have a smartphone in their household (70%) and access to the internet (86%). While age and socio-economic group explain some of the lower ownership/use, disability also has an impact. Those with a visual impairment are the most likely group to say their use of communication services or devices is limited by their disability.

Around one in ten adults have had difficulty paying for communications services, unchanged from 2015; this is highest among younger consumers and those with long-term mental illness.

Seventeen per cent of 16-24 year-olds say they have experienced difficulties, potentially driven by the higher volume of services used and devices owned by this age group. People reporting long-term mental illnesses are also significantly more likely to say they have experienced these difficulties in the last year (35%). At a total level, mobile phones and pay TV are the services that consumers are most likely to have difficulty paying for (both 31%). Difficulty paying for services is lowest among older consumers, at 2% of those aged 75+. Fewer people than in 2015 say they do not have a communications service they feel they need due to cost (5%, down from 10%).

¹ The financial vulnerability analysis is based on creating three distinct household types by combining household income, working status and the size of the household (including the number of children). See section 4 for more detail on how these groups are defined

² 58% of the most financially vulnerable with broadband have a standard broadband connection

At least a fifth of consumers in each market, except stand-alone landline, have made a change to their service and/or provider in the last 12 months. The triple-play market has the highest proportion of consumers either switching and/or initiating a change to their service in the last 12 months (25%).³ This compares to around a fifth in each of the pay-TV, dual-play and mobile contract markets. The lowest proportion is in the stand-alone landline market, where only one in ten consumers have made any changes. Some people are unaware of their contract status (between 15% and 16% in the pay-TV, dual- and triple-play markets); this may affect their ability to engage.

Confidence engaging in the markets is lower among older consumers, those in DE households and people with a disability. For example, just under four in ten older consumers (75+) and around half of those with a disability are confident that they understand the language and terminology used by providers, compared to the 75% average.

³ 2% of triple-play customers said they switched and made a change to their service in the same period. The comparable figures are; 1% each for the pay-TV, dual-play and mobile markets, and 2% for stand-alone landline.

2. The consumer context

There have been considerable changes in the communications and postal markets in recent years. Some of the biggest developments have been in the telecoms sector, with the introduction of services such as superfast broadband (SFBB) and 4G, and the evolution of smartphones and tablets. This has led to widespread take-up of devices such as smartphones and tablets, enabled more people to get online and given many the ability to access the internet anywhere.

The growth of the internet and increasing internet speeds has led to a wide range of services, such as online banking, online shopping and online streaming, becoming available, accessible, convenient and widely used. It has also raised consumers' expectations of what they expect communication services to deliver. These developments have made communications services even more central to many people's lives, with some now describing them as 'essential' services.

Much of this growth and development has had a positive impact on consumers and citizens, including those whose ability to participate in communications markets and society may be affected by factors such as their age, disability or income. For example, improvements to the text relay service for deaf, hearing- and speech-impaired users, enabling it to be accessed by a mobile phone or tablet, and the ability to increase the image on a tablet screen, can help those with visual impairments to access services online.

However, the changes in the communications markets do present some significant challenges to consumers, including those whose ability to participate in communications markets and society may be affected by factors such as their age, disability or income, and there may be negative consequences:

- those who are not online may not be able to participate as fully in society as they would wish;
- choosing between the high number of devices, service options (e.g. data/channels) and bundles of services on offer (e.g. broadband and mobile services through one provider) can be complex and this may deter consumers from engaging;
- people may suffer financial detriment, for example if they are a victim of mis-selling or if they are unable to access the best deals; and
- consumers may not be able to afford the communications services that they now consider essential, or may have to make difficult decisions in terms of what services and devices they can and can't afford.

Ofcom's role and our work in regard to vulnerable consumers

Ofcom's purpose is to make communications work for everyone. This research report helps us understand how well the communications sector is meeting the needs of vulnerable consumers.

Ofcom is required to have regard to the interests of people with disabilities, older people and those on low incomes, as well as the vulnerability of children and of others whose circumstances appear to put them in need of special protection. There are people whose circumstances make them vulnerable but who do not necessarily fall within these defined groups. Ofcom takes a wider view of consumer vulnerability that recognises its dynamic nature: life events such as bereavement, illness or redundancy can temporarily reduce people's ability to afford or manage their communications services.

One of our three strategic goals is to ensure that consumers do not face harmful practices and vulnerable consumers are protected from specific harm. We do this by intervening directly to protect consumers, especially vulnerable groups at risk of harm. We put in place additional measures where there is a risk of exposure to harmful behaviour by firms, and to deal with offensive content on television and radio. The consumer research collected by Ofcom each year is used as an evidence base for a range of projects related to vulnerable consumers.

Ofcom has recently taken a series of actions to further support vulnerable consumers, such as introducing the new General Condition on vulnerability (GC C5) which extends requirements to consumers whose circumstances at the time may make them vulnerable, for example due to a bereavement. We also secured a £7 per month price cut for BT's landline-only customers, many of whom are elderly; and introduced a price cap for consumers using directory enquiry services.

For the coming year, our key initiatives include:

- **Vulnerable consumers:** we support and protect the needs of consumers whose circumstances make them vulnerable. We are monitoring the impact of our General Condition on vulnerability (GC C5) and will identify examples of best practice. We are also working closely with UKRN and other regulators to deliver a programme of work looking at minimum standards to support customers with long term mental health illnesses, cognitive impairments and dementia and best practice in supporting vulnerable consumers.
- **Accessibility of on-demand programme services:** supporting government in its drafting of regulations in this area, following our making recommendations on how to improve accessibility of regulated on-demand programme services and ensure they provide essential accessibility features like subtitles, audio description and signing so they can be used and enjoyed by the widest possible audience.
- **Protecting consumers from harmful pricing practices:** we have a significant programme of work, which includes assessing the fairness of pricing practices in the fixed broadband market, where consumers can end up paying more for communications services due to their contract status or consumer characteristics.
- **Strengthening the consumer voice in telecoms:** From April, we will strengthen the Communication Consumer Panel, the independent consumer body for the telecoms sector, to advocate on behalf of consumers with a stronger voice.

- Migration to voice over IP (VoIP) services: As fibre-based services are rolled out and as communications providers develop plans to retire the Public Switched Telephone Network (PSTN), consumers will increasingly be migrating to VoIP services. We will work with providers to help ensure issues raised by this migration are identified and addressed, with the aim of protecting consumers from harm and minimising disruption.
- Nuisance calls: To help reduce nuisance calls, we work with UK communications providers to disrupt and prevent them. We also work alongside other enforcement agencies such as the Information Commissioner's Office (ICO) and consumer interest bodies. We have also recently strengthened the requirements on providers in relation to calling line identification (CLI), the process by which the person receiving the call can see who is calling them.
- Broadband Universal Service Obligation (USO): Ensuring the universality of broadband services by designating broadband universal service provider(s) (USPs) and setting out the conditions that will apply to them. This will help those who cannot currently get decent broadband.

3. Ownership and use of services and devices

Introduction

The following section explores analysis from Ofcom's Technology Tracker, Disabled Consumer Research and Residential Postal Tracker. It compares ownership and use of communications services and devices between demographic groups such as age, disability and income and between those with and without internet. Use of communications markets will not always be affected by these factors, this section sets out the extent of any differences that exist.

Take-up of communications services and devices across the UK

Communications service/device ownership remains lower than average among DE households, particularly among older DE groups

Ownership of landlines and use of smartphones is lower than average among DE households, as shown in Table 1 in Annex 1. This group are also significantly less likely than average to have any connected devices in the household (including a smartphone), fixed broadband at home, or any access to the internet.

This trend continues into the TV sector, with fewer (and declining proportions of) DE households having access to pay TV (41%, down from 48% in 2017) and lower than average take-up of over-the-top services (25%). Over-the-top (OTT)⁴ services tend to be viewed using a fixed broadband service via a connected device, smart TV or smartphone: ownership of each of these services/devices is lower than average among this socio-economic group, and this may be limiting take-up of OTT services.

DE households with access to these services and devices tend to be younger; 62% of 16-24s in DE households own at least one connected device, compared to 43% of those aged 65+ in DE households. Similarly, 87% of 16-24s in DE households personally use a smartphone, compared to 19% of those aged 65+ in the same group.

Phone ownership and use among the oldest (75+) and youngest (16-24) age groups is changing

This year we note a decline in landline ownership among people aged 75+ (from 98% to 93%), and a rise in the proportion of this age group living in mobile-only households (up from 2% in 2017 to 6%). However, this age group is still more likely than average to have a landline in their house (81% average), less likely to have a mobile (66% compared to 94%) and less likely to live in a mobile-only home (19% average).

⁴ Refers to audio-visual content delivered on the 'open' internet rather than over a managed IPTV architecture. This includes Netflix and Amazon Video

This decline in landline ownership and increasing reliance on mobile telephony among those aged 75+ is complemented by their growing use of smartphones; nearly one in five (18%) in this age group now have a smartphone.

Among the youngest age group (16-24s) more than a third (36%) live in mobile-only households, stable after the rise reported last year.⁵ Nearly all this age group personally use a mobile (99%) – generally a smartphone (95%). And while they are as likely as average to have access to fixed broadband, ownership of this service has declined among this age group in the last 12 months (from 85% to 78%). Over the same period, ownership of connected devices such as PC, laptops/netbooks and tablets has also declined, suggesting that more adults in this age group are now relying on their smartphone for internet access.

Take-up of superfast broadband is lower than average among DE households

Eighty per cent of households claim to have fixed broadband⁶, but ownership remains lower than average among older people (75+) and DE households, at 48% and 64% respectively.

Half (49%) of broadband customers say they have a standard-speed service, 37% say they have superfast and 5% say their connection is ultra-fast.⁷ Those in DE households with broadband are less likely than average to say they have a superfast service (28%)

Over-the-top (OTT) subscriptions are continuing to grow in popularity, particularly among younger adults

Subscriptions to OTT services have increased by six percentage points to 38% since 2017. Younger adults (16-24) are driving this rise, with over half (56%) now having an OTT subscription (up from 46% in 2017). OTT subscriptions are more popular than average among more affluent households (47% of ABC1s) but are yet to take off among the oldest age group (75+) although 3% of this age group have this service in their household.

Compared to the UK population, adults in rural areas are increasingly more likely than average to have an OTT subscription (43% vs. 38%) – up from 35% last year among those in rural areas.

⁵ The proportion of 16-24s living in a mobile only household in 2016 was 27% rising to 36% in 2017.

⁶ Please note this is claimed consumer take-up of broadband services. See the *Connected Nations* report (<https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2018/main-report>) for availability of broadband services in the UK.

⁷ This equates to 39% of households reporting that they have a standard broadband, 30% with superfast and 4% with ultra-fast. The remainder did not know. The proportion of respondents who did not know the speed of their household connection may reflect a lack of involvement in decisions relating to their broadband service.

Disabled consumers' use of communications services and devices across the UK

As previously mentioned, under the Communications Act 2003, Ofcom has a specific duty to have regard to the needs of people with disabilities. To meet these responsibilities, we publish research which provides a summary of disabled consumers' household access to, and personal use of, communications devices and services, making comparisons with non-disabled consumers and drawing out differences between disabilities.

In 2018 we commissioned Kantar Media to conduct Ofcom's Disability Consumer Research via its omnibus survey. This approach enables greater flexibility over the content and design of the survey and analysis at a UK level (this was previously limited to Great Britain). The change in the data collection method (British Population survey was used previously) reduces the comparability with previous waves, so trend comparisons cannot be made.

Note: More detailed analysis by disability type is contained in the published data tables⁸, infographic report and the online data portal which can be found at <https://www.ofcom.org.uk/research-and-data/multi-sector-research/accessibility-research/access-and-inclusion/2018-interactive-data>. Further detail is also contained in the *Focus on online activity and digital exclusion* section below.

Profile of disability groups

Disabled people are generally more likely to be over 64 and live in C2DE households

Disabled people are generally more likely than non-disabled people to be aged 65+, regardless of socio-economic group or type of disability. Overall, 45% of the disabled people we interviewed were aged 65+, compared to 15% of non-disabled people. This skew towards an older age profile is reflected in all the disability groups, except those with learning disabilities, where only 2% are over 64.

Just over half of the sample with a learning disability are aged under 35, compared to 11% of all disabled people and 36% of non-disabled people. In this report we have analysed differences only between over-64s and under-65s by disability group, due to low sample sizes and the skew towards older age groups among the disabled sample.

The disabled people interviewed are more likely than non-disabled people to be in C2DE households (69% vs. 47%). This is the same for all disability groups. Of all disability groups, those with a hearing impairment are most likely to be in ABC1 households (47% vs. 27-33% for all other disability groups).

Regardless of age, disabled people are more likely to live alone (43% vs. 17% of non-disabled people), and this is particularly the case for those with a mobility impairment (47%). All disability groups are less likely to be employed than non-disabled people; 60% of non-disabled people are employed, compared to 15% of disabled people. Linked to the older age profile we see higher than average levels of retirement among disabled people (51% vs. 18% among non-disabled people). Those with a learning disability are significantly less likely to be retired (4%), and alongside those

⁸ <https://www.ofcom.org.uk/research-and-data/data/statistics/stats18#september>

with a hearing impairment are more likely to be employed (30% and 28% respectively vs. 15% average for disabled people). However, due to the lower proportion of retirees among those with a learning disability, this disability group also reports higher levels of unemployment (excluding retirees) - 17% vs. 7% average among disabled people.

Figure 1: Proportion of sample by broad age within socio-economic group

	ABC1		C2DE	
	Under 65	65+	Under 65	65+
Non-Disabled	46%	7%	39%	9%
All disabled	16%*	15%**	39%	30%**
Mobility impaired	13%*	18%**	31%*	39%**
Hearing impaired	24%*	23%**	18%*	35%**
Visually impaired	17%*	17%**	31%	35%**
Multiple impairments	13%*	14%**	40%	33%**
Learning disability	29%*	-	70%**	2%*

Source: Ofcom Disability Consumer Research. Question: Which of these, if any, limit your daily activities or the work you can do? Base: non-disabled: 17510, all disabled: 3524, mobility impaired: 1360, hearing impaired: 307, visually impaired: 178, multiple impairments: 792, learning disability: 109. Note: ** indicates that a disability group is significantly higher than non-disabled consumers while * indicates that a disability group is significantly lower than non-disabled consumers (significance tested to 95%).

Most disability groups have fewer devices and services in their household compared to non-disabled people

The research shows that there is a gap between disabled and non-disabled consumers in their household ownership/use of most communications devices and services. This is true for most disability groups covered in the research (see figure 2 below).

The biggest disparities are noted for smartphone and internet use. Half (53%) of disabled people have a smartphone in their household, compared to 81% of non-disabled people, and 45% say they personally use one (compared to 75% of non-disabled people).

Two-thirds of disabled people use the internet compared to 92% of non-disabled people. Disabled people are also less likely to have in their household or to use any kind of mobile phone, PC/laptop, tablet, games console or smart TV.

Disabled people are *more* likely than non-disabled to have and use a landline or a simple mobile phone.

Figure 2: Access to and personal use of communications devices and services: disabled vs. non-disabled people

	Household ownership		Personal use	
	Non-Disabled	Disabled	Non-Disabled	Disabled
Landline	66%	74%**	56%	66%**
ANY mobile	91%	80%*	86%	71%*
Simple mobile	22%	36%**	18%	31%**
Smartphone	81%	53%*	75%	45%*
Any computer (PC/laptop/tablet)	85%	64%*	77%	54%*
Tablet	63%	44%*	52%	34%*
Games Console	38%	23%*	24%	13%*
Smart TV	48%	30%*	43%	26%*
Internet Δ	NA	NA	92%	67%*

Source: Ofcom Disability Consumer Research. Question: Q1. Does your [household] have... QL. Which of the following do you currently ever use, if at all? Base: non-disabled: 17,510, all disabled: 3524. Note: ** indicates that a disability group is significantly higher than non-disabled consumers while * indicates that a disability group is significantly lower than non-disabled consumers (significance tested to 95%).

Δ Internet relates to personal use anywhere (i.e. both in and outside the home). The survey does not capture whether respondents have internet access at home.

People with a learning disability tend to be the disability group most likely to use most devices and to access internet outside the home

There are some differences in ownership and use of communications services/devices by disability group, notably among those with a learning disability. For example, people with a learning disability are less likely than average for disabled people to personally use a landline (38% vs. 66%) but are the group most likely to use various other devices. Sixty-two per cent of this group personally use a smartphone compared to a 45% average among disabled consumers.⁹

Older, less affluent (C2DE) disabled consumers report the lowest levels of internet use and smartphone ownership

Further analysis indicates the lowest levels of ownership and use of communications services are reported among consumers with two or more 'vulnerability' factors e.g. older, lower socio-economic group, disabled. The analysis also suggests that having a disability compounds the negative impact associated with age and/or income. For example, older people in C2DE households, with a disability

⁹ Smartphone use among people with a visual impairment (46%), hearing impairment (46%), multiple impairments (42%) and mobility impairment (36%).

report the lowest levels of internet use (35%), and while higher among non-disabled consumers in this demographic (i.e. older C2DEs) internet use is still well below average (53%).

Further analysis on self-reported limitations to ownership and use is detailed below.

Figure 3. Ownership/use of internet and smartphone, by broad age and socio-economic group

% ownership by age within socio-economic group			Non-disabled	Disabled total
Internet (use)	Aged under 65	ABC1	96%	81%*
		C2DE	93%	67%*
	Aged 65+	ABC1	82%	65%*
		C2DE	53%	35%*
Smartphone	Aged under 65	ABC1	86%	66%*
		C2DE	83%	55%*
	65+	ABC1	52%	41%*
		C2DE	31%	23%*

Source: Ofcom disability consumer research, 2018. Base: Non-disabled: ABC1 65+: 2006, C2DE 65+: 2753; All disabled: ABC1 65+: 678, C2DE 65+: 1442. Note: ** indicates that a disability group is significantly higher than non-disabled people while * indicates that a disability group is significantly lower than non-disabled people (significance tested to 95%). Note: Internet (use) is based on access anywhere whereas smartphone is based on household access.

Visually impaired people are more likely than others to say their use of communications services/devices is affected by their disability

Of all the disability groups reported on, those with a visual impairment are most likely to say their use of communications service/devices is affected by their disability. Use of television is affected the most; a third of those with a visual impairment say their use is either limited (20%) or prevented (13%) because of their disability: the highest of all disability groups (see Table 3 in Annex 1).

This group were also among those most likely to say their use of a mobile was affected - a fifth said their use was either limited (11%) or prevented (11%). People with multiple impairments report broadly similar levels (17%).¹⁰ The impact on use of communications services and devices among those with multiple impairments may also be linked to a visual impairment; 29% of this group have a visual impairment.¹¹

Around one in five people with either a visual impairment (18%), learning disabilities (18%) or multiple impairments (19%) say their use of a PC, laptop or tablet is affected by their disability. And around one in ten in each of these disability groups say their disability impacts their use of the

¹⁰ Among those with multiple impairments, 8% said use of mobiles was prevented and 9% said this was limited

¹¹ Among those with multiple impairments, 81% had a mobility impairment, 36% had a hearing impairment, 29% had a visual impairment, 13% had a learning disability and 8% had a speech impairment

internet. Those with a visual impairment are the most likely to say their use of the internet is limited (9%).

People with a hearing impairment are least likely to say their disability affects their use of communications services/devices. However, 13% say their use of a mobile is either limited (5%) or prevented (8%), and just under a quarter (23%) say their use of television is affected – 10% say they are prevented from using a TV set.

Focus on online activity and digital exclusion

The following section summarises analysis from Ofcom's Residential Postal Tracker, Technology Tracker and disability consumer research. It focuses on internet access and use, and the way those who are considered 'narrow users'¹² of the internet, and those without the internet, use communication services.

Reliance on post is significantly higher in households without internet access

The impact of not being online is reflected in the postal market. The majority (89%) of people in homes without internet access are reliant on postal services for sending and receiving cards (compared to 76% of people in homes with internet access). They are also significantly more likely than those with internet at home to claim they would feel cut off from society if they were unable to send/receive post (86% compared to 64%).

Internet access at home is increasing – but older age groups and DE households remain less likely to have it

Although home internet access has risen significantly over the last ten years, it has remained relatively stable in recent years at 87%. This means that around one in ten (12%) adults still do not have access to the internet at home via any device. As shown in the figure 4, those without internet access tend to be older (this proportion rising to 48% among those aged 75+) or, to a lesser extent, be in DE households (27%)¹³.

According to research reported in Ofcom's *Adult media use and attitudes* report¹⁴, by far the most popular reason for not going online, cited by half of non-users, is because 'it's not for people like them/ they don't see the need' (52%). Overall, one in five (22%) say they don't go online because it's too complicated, and 15% mention a reason relating to cost. Older non-users of the internet (65+) are more likely than those aged 16-64 to say they don't go online because 'they don't see the need/ the internet is not for people like them' (57% vs. 42%), while younger non-users (16-64) are more likely to say they don't go online for cost reasons (25% vs. 7%).

However, among the next oldest age group (65-74s) the proportion without home internet access has more than halved – from 56% to 19% over the last ten years. While home internet access among over-74s has risen, it has not gone up to the same extent; the proportion of those aged 75+ without internet access fell from 76% in 2008 to 48% in 2018.

Similarly, while the proportion of DEs without internet access has fallen in the last ten years (from 54% to 27%), it has fallen less than the higher socio-economic groups.

Older people and DE adults with internet tend to be narrower users

'Narrow' internet users are defined as those carrying out up to four of 15 types of online activity ('medium' users 'ever' carry out between five and nine types, and 'broad' users 'ever' carry out between ten and 15 types).

A quarter of all UK adult internet users are classified as narrow internet users, with those aged 55+ (32% for 55-64s, 49% for 65-74s and 55% for 75+) and in DE households (37%) more likely to be classified under this definition.¹⁵

In terms of the type of activities people do online, the top five activities are broadly the same across age and socio-economic groups, although the proportion of the groups doing the various activities differ. The top five activities are general surfing/browsing, sending/receiving emails, instant messaging, social networking and online TV/TV viewing. There are exceptions to this list by age group. First, among 65-74-year olds, online TV viewing does not rank in the top five, although accessing news does. Second, among over-74s, instant messaging does not rank among the top five activities whereas accessing news does. The proportion of each age group engaging in each of these activities drops with age. Among 16-34 year-olds, the top five activities are engaged in by between 75% and 95%, while among over-74s the range is 11% to 36%.

Computing devices are more important than smartphones for older internet users

The smartphone remains the most important device for connecting to the internet for 48% of UK internet users. While this is true for most demographic sub-groups, use of a smartphone to connect to the internet is less important for older people. Fewer 65-74s (13%) and over-74s (5%) consider their smartphone to be their most important device for connecting to the internet. Laptops, desktop PCs and tablets remain more important for these age groups.

Adults in DE households and younger people are less likely to use the internet at home

Four per cent of UK adults use the internet only in alternative locations, i.e. outside the home. Half (53%) of these adults use the internet at someone else's home, 35% use it in their workplace and 27% use it in the library. Younger people aged 16-24 and adults in DE households are among those more likely to use the internet in a location other than their own home, at 8% and 7% respectively. These younger people and adults in DE households are less likely to say the alternative place in which they use the internet is a workplace. This is possibly due to higher rates of unemployment among these groups.

¹² 'Narrow users' refer to those who carry out a smaller number of activities online; specifically, up to four out of 15 types of online activities

¹³ Take-up statistics are taken from Ofcom's Technology Tracker

¹⁴ https://www.ofcom.org.uk/__data/assets/pdf_file/0011/113222/Adults-Media-Use-and-Attitudes-Report-2018.pdf

¹⁵ More information can be found in *Adults' media use and attitudes report 2018*: <https://www.ofcom.org.uk/research-and-data/media-literacy-research/adults/adults-media-use-and-attitudes>

Figure 4. Digital divide

	Total	16-34	65-74	75+	AB	C1	C2	DE	Urban	Rural
No internet access at home (QE2)	12%	7%*	19%**	48%**	4%*	6%* ↓	12%	27%**	12%	12%
Ever use internet (IN6)	90%	98%**	77%*	49%*	97%**	95%**	89%	77%*	90%	90%

Source: Ofcom Technology Tracker Half 1 2018

* / ** = less/more likely compared to total UK tested at the 95% significance level

Arrows indicate significant differences compared to 2017 H1, tested at the 95% significance level

Older, disabled people are least likely to use the internet, while younger disabled groups are just as likely as their non-disabled counterparts to use it.

Overall, disabled people are less likely than non-disabled people to use the internet (67% vs. 92%). However, there is no difference when looking at 16-34s (99% of non-disabled people vs. 98% of disabled people). The biggest disparity is for the older age groups; for disabled people aged 65+, 45% say they use the internet compared to 65% of over-64 non-disabled people.

Looking at specific disability groups, internet use ranged between 62% and 69%, except for those with a learning disability (86%). Higher internet use among this group may be linked to the younger age profile.

People with hearing, visual or multiple impairments are as likely as non-disabled people to access the internet via a publicly accessible computer

Disabled internet users are less likely than non-disabled internet users to access the internet in all the locations we asked about. This is similar across all disability groups although internet users with a learning disability are more likely than non-disabled internet users to use the internet via publicly accessible computers (23% vs. 16%). Those with a learning disability are just as likely as non-disabled people to access the internet via a mobile device. Most disability groups are also more likely than non-disabled people to access the internet in ‘other’ locations.

Disabled internet users are less likely to use the internet for banking and accessing public services

In terms of what people do online, disabled internet users are less likely than non-disabled internet users to use the internet for all types of activity asked about, except for gaming (24% for both). The proportion of disabled people who use the internet for gaming is largely skewed by the learning disability group (40% vs. between 18% and 28% for the other disability groups) which reflects their younger age profile. Ofcom's Technology Tracker shows that in 2018, the age group most likely to have a games console in the household were 16-24s (69% vs. 59% of 25-34s, 56% of 35-54s and 16% those aged 55+).

Some of the biggest gaps between disabled and non-disabled people are for shopping (47% vs. 60%), banking (45% vs. 61%), accessing public services (37% vs. 43%) and downloading/streaming music, video and TV content (32% vs. 46%). Once again, the pattern is similar across all disability groups, although internet users with a learning disability are more likely than non-disabled internet users to download/stream music, video and TV content (57% vs. 46%) and to go online for gaming (40% vs. 24%). As with the use of devices, age and socio-economic background can exacerbate the difference between disabled and non-disabled people in terms of types of internet use. For example, disabled people under 65, regardless of socio-economic group, are less likely than non-disabled people to download/stream music, video and TV content, while those over the age of 65 are just as likely.

Figure 5: Comparison of internet activities, by disability type

Type of internet usage	Non-disabled	All Disabled	Mobility impaired	Hearing impaired	Visually impaired	Multiple impairments	Learning Disability
Information (on interests and products)	73%	62%*	58%*	72%	58%*Δ	65%*	59%*Δ
Shopping (groceries / other)	60%	47%*	43%*	52%*	40%*Δ	49%*	41%*Δ
Download/streaming (music, video, TV)	46%	32%*	21%*	33%*	28%*Δ	34%*	57%**Δ
Communications (email, VoIP, social networking)	92%	81%*	77%*	83%*	83%*Δ	83%*	76%*Δ
Gaming (games and gambling)	24%	24%	20%*	18%	22%Δ	28%	40%**Δ

Access public services (benefits, government, council)	43%	37%*	34%*	44%	27%*Δ	41%	32%*Δ
Banking	61%	45%*	40%*	50%*	39%*Δ	50%*	40%*Δ

Source: Ofcom Disability Consumer Research. Question: Q2: In the last 3 months, have you used the [internet] for...Base: Consumers with internet access: non-disabled: 15455; all disabled: 2133; mobility: 762; hearing: 192; visual: 96Δ; multiple: 443, learning: 90Δ

Note: ** indicates that a disability group is significantly higher than non-disabled consumers while * indicates that a disability group is significantly lower than non-disabled consumers (significance tested to 95%). ΔLow base size between 50 and 99, therefore treat with caution.

Postal services used

Older consumers and those in higher income households are the most likely to use the postal service

Three-quarters (74%) of adults across the UK say they have sent letters in the past month. Older people (75+) remain the most likely age group to use postal services - just 16% said they had not sent any letters in the past month, compared to 39% of 16-24s. People in this older age bracket also send more letters than average; i.e. an average of 6.5 letters sent in the past month compared to 3.0 among those aged 16-24.

People in AB households/those with a higher income are among those more likely to send letters. Just over four-fifths (82%) of those in the highest income bracket (£50k+) had sent letters in the last month, sending an average of 7.5 letters.

Conversely, adults in the lowest income bracket (i.e. up to £11.5K) are among those least likely to use post; a third said they had not sent any letters in the past month. There are indications that price may be deterring this group from using post; around half (53%) of this group agreed with the statement 'I send fewer letters nowadays due to the cost' compared to 44% of households in the highest income band (i.e. £50,000 or more).

Figure 6 – Use of postal services (number of letters sent in the last month)

%	All	Aged 16-24	Aged 25-44	Aged 45-64	Aged 65-74	Aged 75+
None	26%	39%**	27%	24%	19%	16%
1-2	28%	28%	30%	27%	26%	23%
3-4	18%	15%	17%	18%	23%	21%
5-10	18%	11%	16%	19%	18%	27%**
11-20	6%	5%	6%	6%	7%	7%
21+	5%	2%	5%	5%	7%	7%**
Sent any	74%	61%	73%	76%	81%	84%**
Average	5.0	3.0	5.0	5.1	6.1	6.5

%	AB	DE	House bound	Not house bound	Income £<11.5K	Income £50k+
None	18%	33%**	22%	26%	32%	18%*
1-2	25%	28%	23%	28%	28%	29%
3-4	20%	16%	18%	18%	17%	19%
5-10	22%	14%	21%	18%	13%	18%
11-20	7%	5%	11%	6%	6%	7%
21+	7%	3%	5%	5%	4%	8%
Sent any	82%	67%*	78%	74%	68%	82%
Average	7.0	3.7	5.5	5.0	4.4	7.5

Source: Ofcom residential postal tracker, Q3 2017-Q2 2018

** indicates a significantly lower/higher figure within the category breaks shown in the table e.g. AB tested against DE. Base: 5958

Over-74s and lower income households are most likely to say they haven't sent any parcels in the past month

Just under half (48%) of adults say they have sent a parcel (large¹⁶ or small¹⁷) in the past month. The groups most likely to use postal services for parcels are those in higher income households (£50K+), those aged 25-44, those in AB households and to a lesser extent those who are housebound.¹⁸

People sent an average of 2.0 parcels in a month – those living in higher income households (£50K+) are the group most likely to send a parcel (averaging 3.5 parcels each month).

Those aged 75+ are significantly more likely than other age groups to say they have not sent any parcels in the past month. This is also true of those who are not working¹⁹, in DE households and those with a lower household income.

Sending parcels may be linked to the presence of the internet in the household. Those with internet in the household are far more likely than those without to say they have sent a parcel in the past month²⁰.

Figure 7 – Any parcels sent in the last month (large or small)

%	All	Aged 16-24	Aged 25-44	Aged 45-64	Aged 65-74	Aged 75+
None	52%	50%	45%	51%	59%	70%
Any	48%	50%	55%	49%	41%	30%
Average	2.0	1.9	2.8	2.0	1.3	0.9
%	AB	DE	House bound	Not house bound	Income £<11.5K	Income £50k+
None	46%	59%**	46%	52%	59%**	40%
Any	54%	41%	54%	48%	41%	59%**
Average	2.6	1.6	2.3	2.0	1.7	3.5

Source: Ofcom residential postal tracker, Q3 2017-Q2 2018

*/** indicates a significantly lower/higher figure within the category breaks shown in the table e.g. AB tested against DE. Base: 5958

¹⁶ Large parcels - defined as parcels that will not fit through the letterbox

¹⁷ Small parcels - defined as parcels that will fit through the letterbox

¹⁸ Housebound respondents are defined those who answered yes to the question: **Are you unable to leave your home without help, due to illness or disability?**

¹⁹ 55% of working adults sent a parcel in the last month, sending an average of 2.6 parcels, compared to 40% of those not working who sent an average of 1.4 parcels in the last month

²⁰ 49% of those with internet at home have sent a parcel in the last month compared to 21% of those without the internet. Those with internet sent an average of 2.1 parcels in the last month compared to 1.0 sent by those without the internet.

Reliance and value of postal services

Reliance on post for letters and cards is correlated to age, with higher levels of dependency on postal services among older consumers

Across the UK almost eight in ten consumers say they are reliant on post for sending and receiving letters and cards (77% reliance) and parcels (79% reliance). Older adults (75+) are significantly more reliant on post for letters and cards than are younger adults (87% vs. 65%).

Socio-economic group and income also play a role; consumers in higher income/AB households are significantly more likely than those in lower income/DE households to say they rely on post, both for letters and cards and for parcels. And those living in homes without internet access are more reliant on post, which may be linked to the older age profile of these households.²¹

Figure 8: Reliance on post for letters, cards and parcels (% reliant)

%	All	Aged 16-24	Aged 25-44	Aged 45-64	Aged 65-74	Aged 75+
Letters and cards	77%	65%	74%	79%	83%	87%**
Parcels	79%	81%	79%	81%	76%	74%

%	AB	DE	House bound	Not house bound	Income £<11.5K	Income £50k+
Letters and cards	80%**	73%	72%	77%	74%	74%
Parcels	81%**	76%	74%	79%	73%	82%**

Source: Ofcom residential postal tracker, Q3 2017-Q2 2018

** indicates a significantly lower/higher figure within the category breaks shown in the table e.g. AB tested against DE. Base:5793

Older consumers place the greatest value on the postal system, many of whom consider it to be ‘a vital lifeline to the outside world’

Almost nine in ten (88%) consumers across the UK say they value being able to use the postal system. Agreement levels are significantly higher among older consumers than younger consumers (93% of over-74s compared to 81% of 16-24s). This greater reliance on, and perceived value of, postal services among older consumers is underpinned by the connection to society the service provides. A significant majority (85%) of over-74s agree that ‘I would feel cut off from society if I could not send or receive post’, compared to 45% of those aged 16-24. When asked about how

²¹ 89% of those without home internet said they were reliant on post for letters/cards.

important postal services are as a channel of communication, 44% of over-74s said 'essential' (compared to 19% of 16-24 year-olds).

Younger adults have a stronger preference for digital communications and many use postal services only when there is no alternative

Younger adults have much stronger preferences for digital communications, illustrated by higher levels of agreement with the statement '*I would prefer to send emails rather than letters wherever possible*' (75% agreement among 16-24 year-olds compared to 36% agreement among over-74s). Around half (48%) of 16-24 year-olds also agree with '*I only use post if there is no alternative*' (compared to 23% of consumers aged 75+) and a quarter (24%) '*nearly always send digital greeting cards instead of sending cards by post*'. However, even though younger consumers prefer digital communications to traditional postal services, 81% still value the option to be able to use them.

4. Affordability and financial vulnerability

Introduction

The following section explores analysis from Ofcom's Affordability Tracker, Residential Postal Tracker and Technology Tracker. Levels of financial vulnerability are likely to affect ownership of communication services, the types of devices owned, and the activities they are used for. The following section compares these aspects across three segments, outlined below. It also provides insight into the affordability issues being experienced by some consumers.

Definition of Ofcom's financial vulnerability segments

Ofcom conducts analysis to better understand the impact of financial vulnerability on ownership and use of communications services. The analysis creates three distinct household types by combining household income, working status and the size of the household (including the number of children). These household types are referred to in the following section as the 'most financially vulnerable', those who are 'potentially financially vulnerable' and those 'least likely to be financially vulnerable'. An overview of the defining characteristics of each of these segments is shown below, with a more detailed description contained in the Annex: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/accessibility-research/access-and-inclusion> .

Defining characteristics of financial vulnerability groups²²

Least financially vulnerable (LFV)

Live in smaller households; are homeowners; in full-time managerial roles; and are the least likely to have children

Individuals in the least financially vulnerable group are more likely to be in socio-economic groups AB (51%), and in full time employment (72%). They are more likely than average to be homeowners and live in small households (1-2 people) – 61% vs. 50% on average. This group are less likely to have a child living in the household (30% vs. 47% among the potentially and most financially vulnerable groups). Only 2% of single parent families fall within this group²³.

Potentially financially vulnerable group (PFV)

Smaller families; renting; and more likely to be in part-time work

People in this group differ from the least financially vulnerable group in several ways: they are more likely to be working part-time (8-29 hours a week) (23% vs. 12%), be in C1/C2 households (63% vs. 46%); and be renting either privately or from a local authority (48% vs. 25%).

In comparison to the most financially vulnerable segment (below), while they are as likely to have a child in the household, the number of children tends to be lower: 46% of the potentially vulnerable group have one or two children and only 2% of the potentially vulnerable group have three or more children. Eight per cent of this group are single parents. In terms of the age profile of this group, there are significantly fewer people over 64 than those who are least, and most, financially vulnerable: only 3% of them are over 64, compared to 24% in the most financially vulnerable group, and 8% of the least financially vulnerable group.

Most financially vulnerable (MFV)

Large families; older/retirees; and unemployed

This group is a mix of older and retired people (c. 30% of this group), and larger families; around a quarter of these households comprise more than five people. A limited income, multiple dependents, or a combination of both, categorise consumers into the most financially vulnerable segment.

Compared to the other two groups, this group (as a whole) is the least likely to be working (36%) and is more likely than the other groups to be in the DE socio-economic group (60%). The non-working population within this group is made up of retired people (23%), unemployed people (18%), those who are not seeking employment (20%) and students (4%). The high level of retirement in this group is associated with the older age profile of this group. Just under 25% are over 64 and 13% are over 74, significantly more than either of the more affluent segments. Almost a third (31%) of this segment say they have a disability, which may also reflect the older profile of this group.²⁴

In comparison to the potentially vulnerable group, they are more likely to have three or more children in the household (20% vs. 2%); to be a single parent (14% vs. 6%); and to be renting from a local authority (46% vs. 23%).

This group has the lowest level of household income; 60% earn up to £10,399 per year, compared to 0% in both the potentially and least financially vulnerable groups. They are more likely than the average to either live alone (32%), reflecting the older/retired sub-segment, or in a household of five people or more (24%).

Figure 9: Summary of financial vulnerability groups' defining characteristics

Characteristic	Most financially vulnerable (MFV)	Potentially financially vulnerable (PFV)	Least financially vulnerable (LFV)
AB	5%	22%	51%
C1/C2	35%	63%	46%
DE	60%	16%	3%
Working full time	19%	65%	72%
Working part time	17%	23%	12%
Retired	23%	5%	8%
1-2 people in household	46%	44%	61%
3-4 people in household	30%	53%	33%
5+ people in household	24%	3%	7%
Total percentage of population	27%	44%	29%

Source: Ofcom Technology Tracker, Half 1 2018

²² For more detail on the definition of Ofcom's financial vulnerability segments see table 5 in Annex 1

²³ Note, the base size of single parent households was 90, so this should be taken as indicative only

²⁴ This is self-defined. For the analysis we aggregated respondents who stated they had an illness or disability that limited their daily activities, and those who have a visual or hearing impairment.

Impact of financial vulnerability on ownership of services and devices

Three in ten of the most financially vulnerable do not have household access to the internet, and some do not have access to any form of telephony

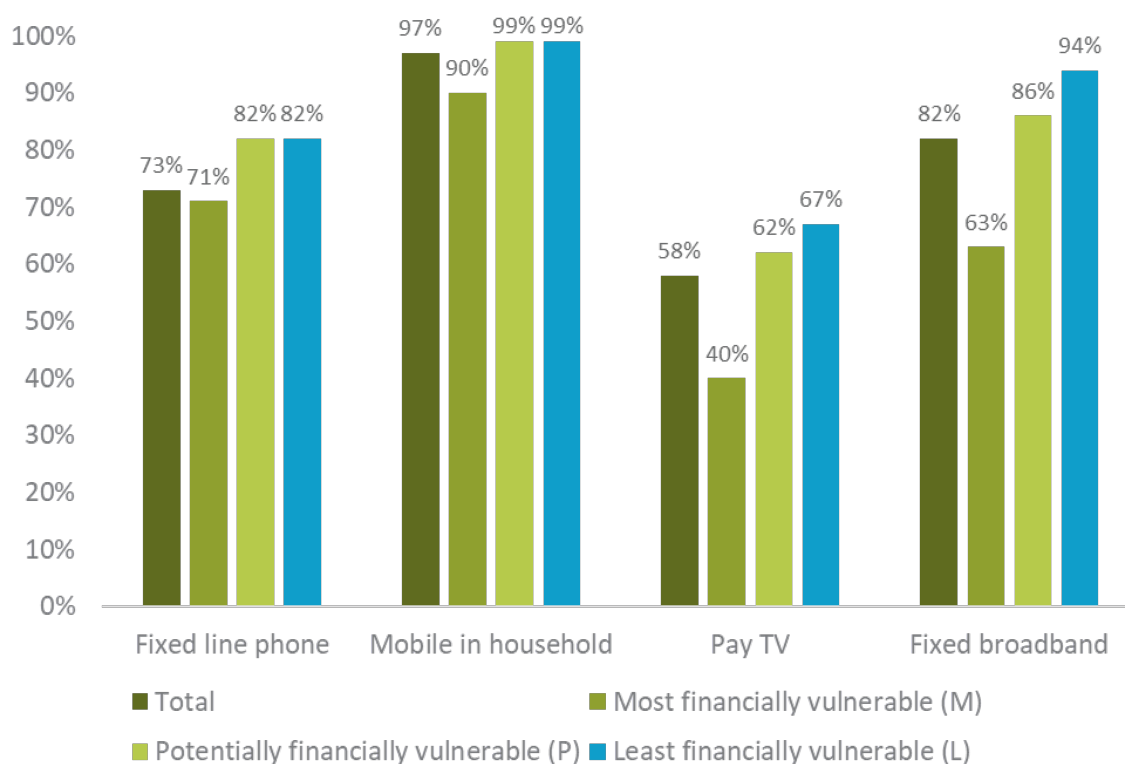
The most financially vulnerable group encompasses some of the most 'digitally excluded', with nearly three in ten living in a household without internet access, and 2% saying they don't personally use any form of telephony.

This group are less likely than the overall UK population to have each of the main communication services: landline (71% vs. 79%); a personal mobile (86% vs. 96%); fixed broadband (63% vs. 82%); and pay TV (40% vs. 58%). They are more likely than average to live in a mobile-only household (28% vs. 21%) and 1% of households in this group say they have neither a landline nor mobile in the household.

They have access to a narrower range of telephony: whereas 81% of both the potentially and least financially vulnerable groups have access to both a landline and a mobile, significantly less of the most financially vulnerable group have access to both, at 61%. In addition, far more of the most financially vulnerable only use a landline – 12%.²⁵ Those who only use a landline tend to be older consumers, mostly over 74, or not working.

²⁵ 1% of each of the least and potentially financially vulnerable groups say they only use a landline

Figure 10: Ownership of communication services in the household, by financial vulnerability



Source: Ofcom Technology Tracker

Base: All adults 16+, H1 2018 (All adults 16+ 1203, Most financially vulnerable 323, Potentially financially vulnerable 533, Least financially vulnerable 347). **/* shows when a group (M, P or L) is significantly higher/lower than the total.

Ownership of communications services is broadly comparable between the potentially vulnerable and the least financially vulnerable groups - either similar to, or higher than average. Nearly all (99%) households in these two segments have access to a mobile phone, compared to 90% among the most financially vulnerable segment. For the least financially vulnerable, this tends to be a smartphone (95%) and those classified as potentially vulnerable are as likely as average to have a smartphone (89%). But among the most financially vulnerable, smartphone ownership is below average (66%) and fewer in this group have a mobile contract (56%).

Three in ten (29%) of the most financially vulnerable group live in households without internet access. The most financially vulnerable who do have access are significantly less likely than those who are either potentially or least financially vulnerable (41% and 47% respectively) to have a superfast connection (28%), and 8% only have internet access via a mobile.²⁶ They are also among those least able to benefit from the more extensive functionality of larger connected devices, given the significantly lower ownership levels of a PC, laptop or tablet compared to the overall population (64% vs. 84%).

²⁶ 58% of the most financially vulnerable with broadband have a standard broadband connection

Impact of financial vulnerability on use of the internet

The most financially vulnerable use the internet for a smaller range of activities

The extent of online activities may be limited by device ownership; e.g. not all devices have the same functionality, so this will limit consumers' ability to engage in particular activities. However, as financial vulnerability relates to certain characteristics, such as number of children in the household and employment status, differences in online activities may reflect more than the financial situation of these groups.

People in the most financially vulnerable group do not use the internet for as many purposes as other groups. There are some services such as use of social media (excluding Twitter), playing games online and use of instant messenger, where use is not affected by financial vulnerability among those who have home internet access. However, there are other notable activities where it does have an effect.

Those in the most financially vulnerable group who have home internet access tend to use it less than average for purchasing purposes (79% vs. 89%), communication (85% vs. 93%), information gathering (89% vs. 94%) and entertainment (62% vs. 71%).²⁷

The internet is used more as a communication and information-gathering tool by the potentially financially vulnerable than by the most financially vulnerable. They are more likely to use it for general surfing (92% vs. 88%), communicating (94% vs. 85%), accessing government and local services (55% vs. 40%), finding information for work (62% vs. 45%), finding information on health (52% vs. 41%), and accessing news (59% vs. 42%).

Affordability

Around one in ten have difficulty paying for communications services, highest among younger consumers and those with long-term mental illness

Around one in ten (9%) of those responsible for paying for their household's communication services say they have experienced difficulties paying for services in the past year. This proportion has not changed from the previous waves of research in 2016 and 2015. This is highest among younger consumers (17% of 16-24-year olds say they have experienced difficulties), and lowest among older consumers (2% of over-74s). Younger consumers tend to have more services and devices than older consumers, which is likely to be a contributing factor to their affordability issues.

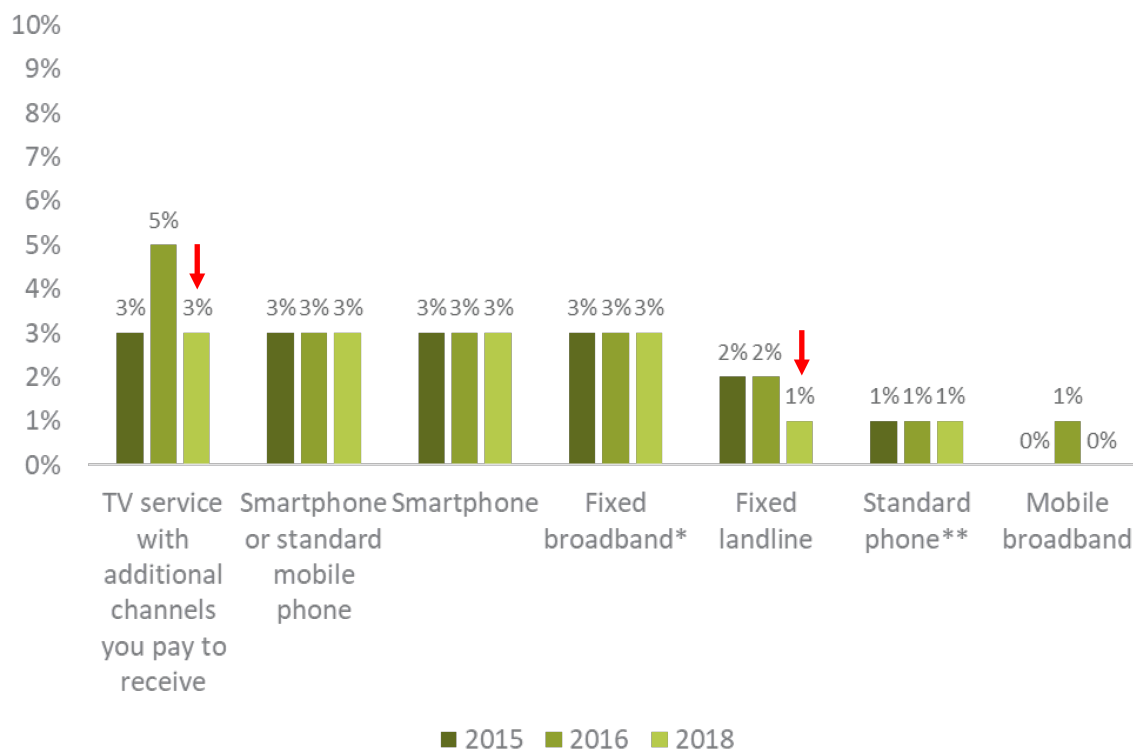
Those in DE households are significantly more likely than those in C1/C2 and AB households to say they experience difficulties paying for communications services (14%, compared to 8% and 5% respectively). Those with a long-term mental illness are also significantly more likely to say they have experienced difficulties in the past year (35%). A lower proportion (13%) of those with long-term

²⁷ Usage patterns between the different 'consumer types' within the most financially vulnerable segment e.g. retirees vs. families, may vary. Sample sizes for each 'type' are not large enough to provide robust analysis.

physical disabilities have experienced difficulties paying for communications services in the past year.

Those who had experienced difficulties affording communication services in the past year were asked how they managed their monthly spending on these services. Sixty-four per cent said they spent less on, or went without, other items. Around a quarter (26%) said they had sought financial support, such as borrowing money from others or accepting gifts. Sixteen per cent said they used their communications services less in order to afford their monthly payments.

Figure 11: Services people had any difficulties affording in the past year



*'Fixed broadband' in 2016 is now asked as two codes 'Standard broadband - fixed broadband through a phone line or cable service, perhaps using a wi-fi router, which is not superfast' and 'Superfast fixed broadband: a premium service that delivers higher speeds and is received through either a fibre optic or cable, that you pay a monthly subscription fee for'

** Standard phone defined as 'Standard mobile phone (that can't access the internet) – Contract/pay monthly' or 'Standard mobile phone (that can't access the internet)'

Base: All with some responsibility for communications services with each service type, pay TV (688 in 2015, 1809 in 2016, 1562 in 2018), smartphone/ standard phone (1402 in 2015, 3959 in 2016, 3109 in 2018), smartphone (1053 in 2015, 3083 in 2016, 2517 in 2018), standard mobile phone (410 in 2015, 1071 in 2016, 730 in 2018), fixed broadband (1050 in 2015, 3466 in 2016, 2522 in 2018), mobile broadband (157 in 2015, 241 in 2016, 261 in 2018), fixed landline (1204 in 2015, 3344 in 2016, 2380 in 2018). Note: Only responses of 1% or more are shown. Red arrows indicate a significant decrease from the previous year

There has been a decrease, from 5% in 2016 to 3% in 2018, in the proportion experiencing difficulties paying for pay TV (among those with this service and responsible for paying for it). There

has also been a decrease in the proportion experiencing difficulties paying for a landline, down from 2% in 2016 to 1% in 2018, although this may be driven by the overall decrease in ownership and use of landlines. All other services have remained stable, with 3% reporting difficulties in paying for them.

Smartphones and pay TV remain the services people most commonly have difficulty paying for

Among those who said they had difficulty paying for a communications service in the past year, mobile phones and pay TV are the services most likely to have been mentioned, both at 31%, a similar level to 2016. These services are closely followed by fixed broadband (both standard and superfast²⁸), at 27%, (11% related to superfast and 16% standard broadband).

In the mobile market, smartphones (particularly among younger mobile customers) drove this figure; 27% of those experiencing difficulties said this related to their smartphone (rising to 39% among younger age groups, i.e. 16-34s).

Those in DE households are the most likely to say they have experienced 'serious affordability issues', at 4%

'Serious affordability issues' are defined as:

- being behind on the payment for any communications services by one month or more in the past year; and/or
- having sold items/taken out a loan as part of their monthly spending in order to afford communications services.

Two per cent of UK adults say they have experienced 'serious affordability' issues in the past year; this figure has remained stable since 2016. Those in DE households are more likely than average to say they have experienced serious affordability issues (4%). Those aged under 35 are significantly more likely than over-64s to have experienced affordability issues of this kind (3% vs. 1% respectively). The survey did not pick up anyone aged 75+ who had experienced 'serious affordability' issues.

Self-reported debt is highest among consumers up to the age of 44, DE households and people with a disability

At an aggregate level, instances of debt have remained stable since 2016, with 2% of those who are responsible for their communications services saying they have been in debt for at least one service or device in the past 12 months²⁹. In line with the trend we have seen above, younger consumers are most likely to say they have been in debt; 4% of each individual age group between the ages of 16 and 44.³⁰ This compares to 3% of 45-54s, 1% of 55-74-year olds, and 0% of over-74s reporting that they have been in debt.

²⁸ Standard broadband is defined as offering speeds up to 30Mbit/s, superfast is defined as offering speeds over 30Mbit/s

²⁹ 1% have experienced debt for more than one service

³⁰ Of those who have some responsibility for their communications services.

Those in DE households are most at risk of being in debt, with 5% having been in debt, compared to 2% of those in C1/C2 households, and 0% of AB households. Those with a long-term illness or disability (either physical or mental) were more likely than those without to say they had been in debt, at 4%.

While the proportion of UK adults experiencing any debt in the communications markets appears to be relatively stable, instances of debt have increased for specific services, among those with the service. Mobile phone (smartphones and standard phones) debt has increased from 1% in 2016 to 2% in 2018, landline debt has increased from 0% to 2%, and fixed broadband debt has gone from 1% to 2%.

Indicative analysis among those who have been in debt suggests that around a quarter do not feel able to manage or cope with this debt.³¹

Fewer people claim not to have a communication service due to cost, but this remains an issue for around 5%

Five per cent of adults say they do not have a communications service that they feel they need, due to cost, compared to 10% in 2015. Those classified as 'most financially vulnerable' are most likely to have said this; 11% of this group say they do not have a service they need due to cost, compared to 7% of those classified as 'potentially financially vulnerable', and 4% of the 'least financially vulnerable' group. Younger age groups are more likely to say this; 8% of 16-24s and 45-54s say they don't have a service they need due to cost, compared to 2% of over-64s.

Four per cent of those who do not have a communication service due to cost say it prevents their access to emergency services

Consumers who do not have communication services due to cost were asked what effect this has on them. Around one in ten of those in this situation said it prevented them from accessing information, and a similar proportion (11%) said they had less entertainment as a result. Four per cent said it prevented access to emergency services and information that keeps people safe.

Affordability of postal services

More than a quarter of housebound consumers have reduced their use of postal services to afford essentials like food and heating

Overall, 8% of consumers said they had reduced their use of post to afford essentials like food or heating. Housebound consumers³² were more likely than any other demographic group to have

³¹ 86 respondents in total were asked this question, so due to the low base size, this result should be taken as indicative only.

³² Six per cent of consumers overall are housebound. No significant difference between adults aged 16-24 vs. adults aged 75+ who are housebound (6% vs. 5%). Significantly more DEs (9%) vs. ABs (4%) are housebound and 7% have household income under £11.5k vs. 4% households with income of £50k+ (this difference is not significant).

claimed to have done this; around a quarter of housebound consumers³³ said they had reduced their use of postal services to afford other essentials like food or heating.

Although the differences are not as dramatic, younger adults aged 16-24 were more likely than older people to say that they had cut back on their use of post in the last three months (11% vs. 4% aged 75+). People in DE households (10%) and those on low incomes (14%) were also more likely than average to have cut back on postal use.

A similar proportion of housebound consumers said they had cut back on essentials like food or heating, to afford to buy postage stamps

Overall, 4% of consumers said they had cut back on essentials like food or heating so that they could afford to buy postage stamps. Again, the group most affected by the affordability of post are housebound consumers; 23% said they had reduced their spend on essentials so they could afford to buy postage stamps.

There is also a significant difference by age group; 7% of adults aged 16-24 said they had had to cut back on essentials to afford postage compared to just 1% of adults aged 75+.

Figure 12: Affordability of post vs. essentials

	All	Aged 16-24	Aged 25-44	Aged 45-64	Aged 65-74	Aged 75+
Reduced use of postage	8%	11%**	11%**	6%	5%	4%
Cut back on essentials	4%	7%**	7%	2%	2%	1%

	All	Housebound	Not housebound	Income < £11,500	Income > £50,000	AB	DE
Reduced use of postage	8%	27%**	7%	14%**	6%	7%	10%**
Cut back on essentials	4%	23%	3%	7%	4%	4%	5%

Source: Ofcom residential postal tracker Q3 2017- Q2 2018

QF1_1/2. In the last three months have you had to... Reduce your use of postage stamps so that you can afford essentials like food or heating or had to forgo essentials to afford postage stamps

Base: All respondents. */** indicates a significantly lower/higher figure within the category breaks shown in the table e.g. AB tested against DE.

³³ Housebound respondents are defined as those who answered 'yes' to the question: *Are you unable to leave your home without help, due to illness or disability?*

Cost is a significant influencing factor for lower income households in deciding whether to use first- or second-class postage

The overall monthly average spend on postage is £9.45. Average spend is higher among those who are working (£10.09 per month vs. £7.81 non-working), AB households (£11.58 vs. £7.35 among DE) and households with an income of £50k+ (£13.68 in the last month vs. £7.81 among those with a household income of less than £11.5k).

In total 52% of postal users use 1st class stamps compared to 25% who use 2nd class (of these, 29% only ever use 1st class stamps while 5% only ever use 2nd class stamps). Postal users under the age of 45 are more likely to use 1st class stamps all or most of the time, with those over 45 more likely to use 2nd class stamps. When postal users were asked what influenced their decision whether to use 1st or 2nd class stamps, the cost of postage (49%) and speed of delivery (41%) are the two main considerations given. The cost of postage is the biggest consideration across all demographic groups. Consumers with annual household income under £11,500 are significantly more likely to consider cost (57% vs. 51% of those with household income of £50k+). Speed of delivery is the second biggest consideration across all demographic groups. Those who have internet access at home (42%) are significantly more likely than those who don't (26%) to cite this.

The security of the item (i.e. that it will arrive at its destination intact) is significantly more important to younger adults aged 16-24 (16% vs. 6% adults aged 75+) and those who are housebound (14% vs. 8% of those who are not).

5. Consumer engagement

Introduction

The communications markets offer consumers a wide and expanding range of products and services. For consumers to be able to take advantage of the choice available they should be able to shop around with confidence, and ultimately secure the best deals for their needs – whether that means negotiating a new deal with their current provider or switching to a new provider.

Many consumers benefit from the wide choice of services on offer by engaging with the market, but others do not. This section provides data on the extent to which consumers are able to engage and make changes to their communications services/package.

Knowledge, understanding and confidence

For consumers to be able to engage and benefit from the choice available they need to be aware of and understand their options and have the confidence to act. Lack of awareness and confusion regarding consumers' contractual status, for example, can lead to uncertainty in knowing *when* to engage, which may have an impact on finding better deals. Below we compare these aspects across different demographic groups.

Older consumers (65+) are less likely to know their contract status than average, for all services except mobile

To help consumers engage with their providers and compare offers available to them, it is important to understand the extent to which consumers are aware of their contract status. Lack of awareness can lead to uncertainty in relation to knowing when to engage with the market, which may have an impact on finding better deals.

In each of the stand-alone pay-TV (15%), dual-play (16%) and triple-play markets³⁴ (15%) a proportion of consumers are unaware of their contractual status. This rises to at least a fifth among those aged 65+, in each of these markets (stand-alone pay TV 20%, dual-play 24%, and triple-play 22%). This older age group are also more likely than average to say they were 'out of contract' in each of the stand-alone pay-TV (33% vs. 27%) and mobile (18% vs. 10%) markets.

Uncertainty about contractual status was also higher among those in C2DE households in the mobile and stand-alone pay TV markets, and among those lacking confidence in their literacy skills in each of the stand-alone pay-TV and dual-play markets.³⁵

³⁴ Ofcom's consumer engagement study focused on understanding the experiences of dual-play and triple-play customers separately, hence analysis is not available among broadband customers as a separate group.

³⁵ Ofcom, *Consumer engagement with communication services*, July 2018. Available at: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/general-communications/consumer-engagement-with-communication-services>

Some consumers do not know what will happen to the price they pay once their minimum contract period has ended.

As shown in the table below, between 16% and 18% of consumers (in each of the mobile, stand-alone pay-TV, dual-play and triple-play services) who said they are 'in-contract', do not know what will happen to their price at the end of their minimum contract period. Differences in awareness are evident among consumers aged 55 and above. Triple-play customers in this age group are significantly more likely than average to lack awareness in this market (23% vs. 17%), as are mobile contract customers in DE households (29% vs. 18% average).

Figure 13: Proportion of in-contract consumers who do not know what will happen to the price they pay at the end of their minimum contract period³⁶

% in-contract customers who do not know what will happen to the price	Total	55+	DE	Most financially vulnerable Δ
Mobile	18%	23%	29%**	21%
Stand-alone pay TV	16%	19%	21%	18%
Dual-play	18%	17%	23%	23%
Triple-play	17%	23%**	21%	10%

Source: Ofcom's consumer engagement quantitative research 2018, conducted by Critical, slide 20 and bespoke analysis. Note: Δ indicates low base so treat as indicative only. ** shows significant difference (higher) at 95% level compared to the total

Older mobile and dual-play consumers are more likely than average to have difficulty understanding whether they could make savings³⁷

At least two-fifths of consumers across all communications markets say they find it difficult to understand whether changing deal, or provider, would result in any savings. In the mobile and dual-play markets, differences emerge among consumers aged 55 and above. This age group were more likely than average to agree that understanding potential savings was difficult for them.

³⁶ Differences shown here for 55+ age group, as this is where the data begins to illustrate statistical differences. Other analysis reports differences among consumers aged 65+ for the same reason. Full analysis is available within the relevant data tables published online.

³⁷ Ofcom, *Consumer engagement with communication services*, July 2018. Available at: https://www.ofcom.org.uk/data/assets/pdf_file/0023/113459/Engagement-Quantitative-Data-Tables,-2018.pdf Q41b

Figure 14: Proportion of consumers who agree that they find it difficult to understand whether they would make any savings by changing their deal or provider

% in-contract customers find it difficult to understand whether can achieve savings	Total	55+	DE	Most financially vulnerable
Mobile	39%	46%**	39%	37%
Stand-alone pay TV	41%	44%	47%	42% Δ
Dual-play	45%	51%**	48%	50%
Triple-play	43%	46%	38%	42%

Source: Ofcom's consumer engagement quantitative research 2018, conducted by Critical, slide 60 and bespoke analysis. Note: Δ indicates low base, so treat as indicative only. ** shows significant difference (higher) at 95% level compared to the total

Older (65+) consumers, those in DE households and consumers with disabilities are less confident about engaging in the market

When consumers start looking for better deals in their communications services, some may face more challenges with understanding the potential savings (as noted above), the available options and the language and terminology used.

Confidence with aspects relating to engagement in the market tends to be lower among older consumers; i.e. speaking to existing providers about new deals, comparing costs or understanding the language and terminology. For example, less than half (47%) of older consumers (65+) are confident that they understand the language and terminology used by providers, compared to 75% average. This drops to 38% among the oldest age group (75+), with just over half (55%) of this age group confident in speaking to their provider about new deals.

Similarly, as shown below, lower confidence in each of these aspects is noted among consumers in DE households and among those with a disability; around half (52%) of disabled consumers say they are confident in understanding the language and terminology.

Figure 15: Stated confidence with aspects relating to engagement with the communications market as a whole

	Total	Under 65	65+	75+	ABC1	C2	DE	Disabled people	Non-disabled people
Confidence in speaking to current provider about new deals	82%	87%**	62%*	55%*	89%**	78%*	71%*	65%*	86%**
Confidence in comparing costs	80%	85%**	56%*	46%*	87%**	77%	68%*	60%*	85%**
Confidence in understanding the language and terminology used by providers	75%	81%**	47%*	38%*	84%**	69%*	60%*	52%*	80%**

Source: Switching Tracker 2018

Base: All respondents (2601), All adults aged 16+ under 65 (2023), 65+ (573), 75+ (256), ABC1 (1401), C2 (547) DE (653), disabled people (483), non-disabled people (1666).

**/* show significant difference (higher/lower) at 95% level compared to the total

Engagement activities

Consumers who shop around and are willing to change provider are often able to access the better deals in the market. But doing so usually requires active involvement and a degree of confidence and understanding of the market in order to navigate the offers available.

There are various ways in which consumers can engage in communications markets; from keeping an eye on alternative deals and comparing the costs of these, to making changes to their existing package or switching provider. However, various things may deter consumers from engaging. For example, some do not know when to 'engage'; others lack the confidence or ability to identify the best deals for their needs.

Below we compare the behaviour of consumers across the communications markets, highlighting those groups less likely to participate in the markets.

Older consumers (55+) and C2DEs are generally less likely to ever look at deals for their communications services

People aged 55+, and those in C2DE households, are significantly less likely than average to look at deals in the mobile contract and stand-alone pay-TV markets. For example, just over half (55%) of

this older age group in the mobile contract market ever look at alternative deals from their own provider, compared to an average of 68%, and almost three-quarters (72%) of under-55s. In all markets, those aged 55+ are significantly less likely than under-55s to ever look for deals.

Disabled consumers are as likely as average to look at deals with their current provider, and in the triple-play market are *more* likely than those who are not disabled. There are some differences in behaviour by financial vulnerability segment; in the bundle market the potentially financially vulnerable are among those most likely to ever look at deals from their current provider (69% for dual-play and 76% for triple).

Figure 16: Proportion of consumers in each market who say they ever look at deals from their current provider, by demographic

% ever look at deals in each market	Total	Under 55	55+	ABC1	C2DE	Disabled people	Non-disabled people
Mobile contract	68%	72%	55%*	73%	62%*	75%	67%
Stand-alone pay TV	59%	66%**	49%*	64%	51%*	58%	60%
Dual-play	60%	64%	54%	63%	54%	56%	60%
Triple-play	68%	70%	63%	69%	65%	75%	66%

Source: Ofcom's consumer engagement quantitative research 2018, conducted by Critical, bespoke analysis Q20

**/* show significant difference (higher/lower) at 95% level compared to the total

At least a fifth of consumers in each market, except stand-alone landline, have made a change to their service and/or provider in the last 12 months

As noted above, consumers can 'engage' in the market in various ways. Below we set out the proportions and demographics of those who have initiated a change to their service, and those who have changed or switched provider (excluding those who did so when moving home) in the last 12 months.

The triple-play market reports the highest proportions making either of these changes to their service in the last 12 months; a quarter (25%) of customers in this market switched and/or initiated a change to their service in this period.³⁸ This compares to around a fifth in each of the pay-TV

³⁸ 2% of triple-play customers said they switched and made a change to their service in the same period. The comparable figures are; 1% each for the pay-TV, dual-play and mobile markets, and 2% for stand-alone landline.






(21%), dual-play (19%) and mobile contract (18%) markets, and one in ten in the stand-alone landline market.

Consumers in the triple-play market are the most likely to have made changes to their package compared to consumers in other markets

A fifth (19%) of triple-play consumers say they have initiated a change to their package in the past 12 months, driven by those who have negotiated discounts (10%) or added/improved services (8%). This is an increase from 13% in 2017. This behaviour (i.e. initiating a change) is lowest for stand-alone landline customers (5%) and stands at around one in ten in each of the other markets. In the pay-TV market, the proportion of consumers initiating a change (12%) has returned to levels reported in 2016, following a high of 21% last year.

In the mobile market (contract stand-alone), younger consumers (16-24) appear to be driving this behaviour (14% have initiated a change, compared to 6% among those aged 65+). In the dual-play market ABC1s are more likely than other socio-economic groups to have initiated a change (13% vs. 8%) and older consumers are less likely than younger (8% among those aged 65+). In the triple-play market there were no significant differences across the demographics compared.

Figure 17: Proportions initiating changes by the consumer to existing package/services in the past 12 months

					
Change initiated by consumer	Landline stand-alone	Mobile contract stand-alone	Pay TV stand-alone	Dual-play	Triple-play
Discount	2%	7%	7%	6%	10%
Added extra/improved	2%	3%	5%	5%	8%
Reduced/downgraded	1%	1%	3%	2%	5%
Any 2018	5%	10%	12% ↓	11%	19% ↑
Any 2017	4%	12%	21%	13%	13%

Source: Switching Tracker 2018







Base: All adults aged 16+ who are the decision-maker for landline as a stand-alone service i.e. do not purchase any other service from the same provider, a proportion of this group do purchase broadband from another provider (282) mobile contract as a stand-alone service (1566), pay TV as a stand-alone service (303), bundle of services (dual 660, triple 670)

Red/green arrows indicate any significant decrease/increase between 2017 and 2018

Switching remains broadly stable across communications markets, except for a decline in switching in the pay-TV and dual-play markets

Switching is highest for the dual-play market, despite a decline to 9%, from a high of 14% in 2017. In the pay-TV market switching also declined: from 8% in 2017 to 5% in 2018. Seven per cent of consumers have switched landline provider in the stand-alone market³⁹ in the past 12 months, and the same proportion have switched at least one service in their triple-play bundle. Mobile switching remains unchanged at 10%.

Figure 18: Proportion of consumers who have switched/changed provider in the past 12 months

		Switched in the 12 months to Sept.									
		Sept 2018		Sept 2017		Sept 2016*		Sept 2015		Sept 2014	
		Total	Excl. home move	Total	Excl. home move	Total	Excl. home move	Total	Excl. home move	Total	Excl. home move
	Landline standalone	7%	7%	5%	4%	3%	3%	8%	5% ↑	2%	1%
	Mobile total	10%		10% ↑		8%		10%		7%	
	Pay TV total	8%	5% ↓	10%	8%	9%	7%	7% ↑	5% ↑	3%	2%
	Pay TV standalone	8%	5%	7%	6%	6%	4%	3%	3%	2%	2%
	Dual play	13%	9% ↓	17%	14%	14%	12%	12%	11%	7%	7%
	Triple play	12%	7%	12% ↑	10%	8%	7%	12%	10%	7%	6%

Source: Switching Tracker 2018

Red/green arrows indicate any significant decrease/increase from the previous year

* NOTE: Methodology in relation to creation of the landline stand-alone and PTV stand-alone segments was refined in 2016, so trend data for previous years for these two groups are not directly comparable

Base: All adults aged 16+ who are the decision-maker for landline as a stand-alone service (409 2014, 646 2015, 316 2016, 288 2017, 282 2018) mobile (1679 2014, 2609 2015, 2265 2016, 2278 2017, 2392 2018) pay TV total (1006 2014, 1302 2015, 1087 2016, 1075 2017, 1177 2018), pay TV as a stand-alone service (393 2014, 506 2015, 258 2016, 265 2017, 303 2018), bundle of services (2014, dual 734, triple, 656) (2015, dual 654, triple 532) (2016, dual 479, triple 691) (2017, dual 476, triple 661) (2018, dual 660, triple 670)

³⁹ Stand-alone landline is defined as the service being purchased on a stand-alone basis (i.e. no other services purchased from the same provider) either on its own or alongside another service (e.g. broadband) purchased from another provider.

Cost remains the main prompt to switching – consumers either finding out about a better price/deal with another provider or seeking to reduce current costs⁴⁰

Cost remains the main prompt to switching, although there are some slight differences by market. For dual-play, triple-play and pay-TV stand-alone customers, seeking to reduce current costs was the overriding reason to switch, followed by finding a better price/deal with another provider. For mobile customers, it was the reverse; finding a better price/deal with another provider (37%) was more important than seeking to reduce current costs (28%). An existing provider increasing its costs was also a factor for dual-play (30%) and triple-play (31%) customers. Further data on switching drivers can be found in the online datasets⁴¹.

Focus on broadband⁴²

Older and financially vulnerable broadband customers (with a dual-play bundle) are more likely to lack awareness about their contract status⁴³

Half of older (65+) dual-play customers are either out of contract (25%) or do not know their contract status (24%), significantly higher than average (38% combined). Dual-play customers in the 'most financially vulnerable' segment are also less certain of their contract status i.e. 19% are unsure if their contract has ended vs. 12% of those in the least financially vulnerable segment.

Older broadband customers may face challenges when looking into broadband deals

When consumers start looking for better broadband deals, some of them may face challenges in understanding and assessing their options. Dual-play consumers aged 55+ are more likely to respond negatively to questions about ease of engaging in the market.⁴⁴ For example, they are more likely than other age groups to say they struggle to understand the language and terminology used (43% vs. 15%).

⁴⁰ Switching Tracker 2018

⁴¹ https://www.ofcom.org.uk/_data/assets/pdf_file/0014/125024/switching-tracker-2018-data-tables.pdf

⁴² Ofcom's consumer engagement study focused on understanding the experiences of dual-play and triple-play customers separately, hence this analysis is not among all broadband customers.

⁴³ Analysis among dual-play customers: % said they were out of contract and % said they were unsure of their contract status. Ofcom, *Consumer engagement with communication services*, July 2018. Available at: <https://www.ofcom.org.uk/research-and-data/multi-sector-research/general-communications/consumer-engagement-with-communication-services>

⁴⁴ Ofcom's consumer engagement study focused on understanding the experiences of dual-play and triple-play customers separately, hence this analysis is not among all broadband customers. Significant differences were noted between consumers aged 55+ and those under 55, hence the focus on this age group as opposed to those aged 65+.

At aged 65 and above, broadband customers are less confident than average (among broadband customers) in their ability to compare the costs of communications services (71% confident vs. 85% average).⁴⁵ The same is true for broadband customers in DE households (79% confident) and those with a disability (74% confident).

Broadband customers in this older age group (65+) are also less confident than average about speaking to their current provider about deals (75% vs. 88%), as are broadband customers with a disability (78%) and those in DE households (83%).

Older broadband customers are less likely to have ever changed broadband provider, or considered deals/offers from their own or other providers⁴⁶

Our research suggests that older broadband consumers are significantly less likely than average to have ever changed their broadband provider (55% of broadband customers aged 65+ vs. 65% average). This age group are also significantly less likely than average to have considered deals from other providers (17% vs. 28% average), or to have looked at deals/offers from their own provider (10% vs. 14%).⁴⁷

⁴⁵ While analysis has been run on broadband customers, respondents were asked about their confidence in relation to mobile, landline, TV and broadband services combined, so this provides only an indication of confidence in the broadband market specifically.

⁴⁶ [Switching Tracker 2018 data tables \(PDF, 2.5 MB\)](#)

⁴⁷ Activities asked about were: discussed deals/offers with another provider, looked at deals/offers from another provider and talked with friends and family for recommendations about providers.