

# Report from CEBR reveals shocking state of London broadband

## Londoners waste over £193million a year on landline tax



**£156m lost in landline tax by households across London**

**£37m lost in landline tax by SMEs across London**

**47% of residents in Central London would prefer broadband without a landline**

**68% of SMEs in Central London could operate effectively without a landline**

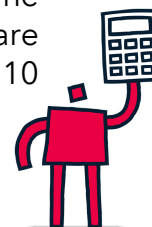
**Landline charges have increased 68% over the last 10 years**

A study published today by the Centre for Economics and Business Research (Cebr) highlights the excessive costs faced by consumers and businesses in unwanted landline rental charges and unnecessary installation costs, across London.

Over a third, (34%) of the capital's population surveyed online say they rarely<sup>1</sup> use their home landline for voice calls and 62%<sup>2</sup> of SMEs are confident that their business could operate effectively without a landline. Analysis from Cebr reveals that this could mean as many as 1 million London households and 240,000 SMEs are unnecessarily subject to a 'landline tax' costing a combined **£193m per year**. This landline tax represents an unnecessary imposed cost on those who pay for landline rental and associated installation charges, just to get broadband. The problem is worst in Central London where nearly half of all consumers (47%) would prefer their broadband package did not require line rental<sup>2</sup>.

In six major advanced global economies, landline subscriptions have fallen by 23% over five years, compared to a static number of subscriptions in the UK<sup>3</sup>. This is despite the fact that there has been a decline of 33% in UK household voice calls and 31% in business calls<sup>3</sup>. This lack of alternative data and telephony services in the UK costs households in London an estimated **£156m per year** in total (£149 per household)<sup>4</sup> and SMEs in London an estimated **£37m per year** (£158 per average)<sup>4</sup>.

In the past 10 years, residential and business customers have experienced substantial hikes in their monthly line rental. In 2004, the average landline customer paid £9.50 in line rental charges. Ten years later, customers are being charged an average of £15.99<sup>3</sup>, which represents a 68% jump in 10



years and this trend looks set to continue<sup>3</sup>. In comparison, CPI inflation has risen just 30%.

Colm Sheehy, senior economist at Cebr, said: "The fact that a landline is required for most broadband services despite falling call volumes indicates that many consumers are getting poor value for money from their monthly landline rental."

In a new era for broadband, a transformation in London's broadband begins today, with the launch of **Relish** - the new Central London "plug and play" service that spells the end for connection delays, data limits and complicated tariffs - without the need for a telephone landline. Therefore providing a solution to customers in the UK who previously have been unable to switch to alternative data and telephony services because the choice simply didn't exist.

Relish meets the challenges raised by the Cebr report and aims to disrupt the London broadband market with a combination of instant connection, unlimited data, and transparent pricing. It offers four core products: Home Broadband, Business Broadband, Mobile Broadband (via a Pocket Hub device) and Dedicated Business Internet .

**Nicholas James, CEO of UK Broadband, which is launching Relish, said:** "London is home to some of the world's most talented and busy people, who have to suffer delays in getting their broadband service set up and pay a 'landline tax' for a service they often don't need. **Relish** wants to give Londoners the broadband they deserve - and will shake up the market with a fair and transparent service that meets the digital demands of modern Londoners."

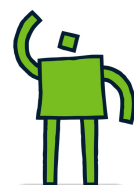
To become a **Relish** user, simply order online at [www.relish.net](http://www.relish.net) and a new broadband hub will be delivered the next day, ready for immediate installation.

**Relish** home and business broadband is currently available in central London. For an additional £5 a month, customers can take **Relish** on the move with them, using its 4G Pocket Hub - allowing ultra fast speeds outside of the home.

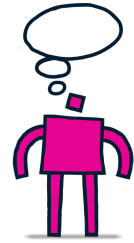
#### **Relish's Key Service Features:**

- Broadband delivered next working day in central London
  - 'Plug and play' simple set-up
  - No need to take a phone line
- No long contracts or hidden charges
  - Unlimited data

For more information please visit: [www. Relish.net](http://www.Relish.net)



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For further information please contact:  
[relish@wcommunications.co.uk](mailto:relish@wcommunications.co.uk)



### **Notes to editors**

#### **About Relish**

Relish is a new communications provider for Central London. We know London's people and businesses are always busy and on the move, so our services help them get online quickly and easily at fibre-fast speeds without any hassle.

Our exclusive 4G and wireless networks mean that you can get online, fast, without needing to wait for a broadband installation guy, long contracts or unwanted landlines.

From our home and business broadband services through to our Dedicated Business Internet, if you're in need of fibre-fast internet without the kerfuffle, we've got you covered. Plus our Pocket Hub puts a Wi-Fi hotspot in your pocket when you're out and about.

Relish. Fibre-fast broadband without the wires.

#### **About UK Broadband**

UK Broadband switched on the first 4G LTE system for commercial services in the UK, in February 2012, in London. We now provide 4G LTE services in a number of cities, towns and commercial campuses in the UK.

Additionally, UK Broadband provides other wireless data capacity, services and solutions to commercial enterprises, public sector organisations and channel partners throughout the UK.

Relish is operated by UK Broadband, part of the PCCW Group that includes HKT, Hong Kong's premier telecommunications service provider and largest mobile service operator.

#### **About Cebr**

Centre for Economics and Business Research Ltd (Cebr) is an independent economics and business research and consulting practice. Cebr uses economics and econometrics, surveys, qualitative research, expert interviews, computer modelling and scenario planning to help clients understand their environment and forecast changes in it.

Over the past 20 years the Centre for Economics and Business Research has established itself as one of the UK's leading economics consultancies. Cebr provides high-quality independent research to clients in a wide range of sectors including technology, financial services, business services, construction, rail, telecoms and retail.

<sup>1</sup> Defined as using a home phone less than once a week

<sup>2</sup> All survey figures, unless otherwise stated, are from YouGov Plc. Consumer Survey - Total sample size was 1,459 adults. Fieldwork was undertaken between 25th - 28th April 2014. The survey was carried out online. The figures have been weighted and are representative of all London adults (aged 18+). YouGov Business Survey - Total sample size was 206 IT decision makers from London SMEs (businesses with less than 250 employees). Fieldwork was undertaken between 25th April - 6th May 2014. The survey was carried out online.

<sup>3</sup> Cebr analysis of data from Ofcom Communications Market Report 2013

<sup>4</sup> Calculation by Cebr using YouGov data. Cebr used data from the YouGov survey on the take-up of fixed line broadband and the usage of home phones (residential) / ability of SMEs to operate effectively without a landline (SMEs). This was applied to Census data (households) and ONS Business Count data (SMEs) to calculate the number of fixed line broadband customers affected by lack of choice in the market. This was in turn applied to the average annual landline rental and estimated installation and contract termination charges to determine the overall cost to London's residential and small business fixed line broadband customers.