

Assembly

Analyst Note

£940m of support from UK telecoms operators during COVID-19

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- *The UK's telecoms operators responded quickly to the coronavirus pandemic recognising the need to be connected. Many offered additional allowances of texts, calls and data, free access to healthcare information, and more recently zero-rated access to education resources and even devices to help with online learning.*
- *Over the course of the pandemic so far, we estimate the value of these initiatives to be £940m, with many likely to remain in place until life returns closer to normal.*
- *Of more than 50 initiatives we've tracked, 20 have directly addressed the needs of the most vulnerable (worth £340m), 19 have been made available to all customers (£250m), six are targeted at key healthcare workers (£220m), and four have aimed to help small and medium sized businesses recover (£130m).*
- *Similar initiatives have been launched around the world which we have also been tracking on a country-by-country basis since the start of the pandemic.*

UK telecoms operators quickly stepped up to the challenge of keeping the country connected

The coronavirus pandemic changed overnight the way people interact with each other. As measures were put in place to reduce physical contact to slow the spread of the virus, telecoms operators saw an increase in demand for connectivity as more people worked, studied and entertained themselves from home. Recognising the need to be connected, and the financial hardship customers faced, many operators took steps to ensure access to vital services. As the course of the pandemic continued, so too did the support offered to consumers and businesses.

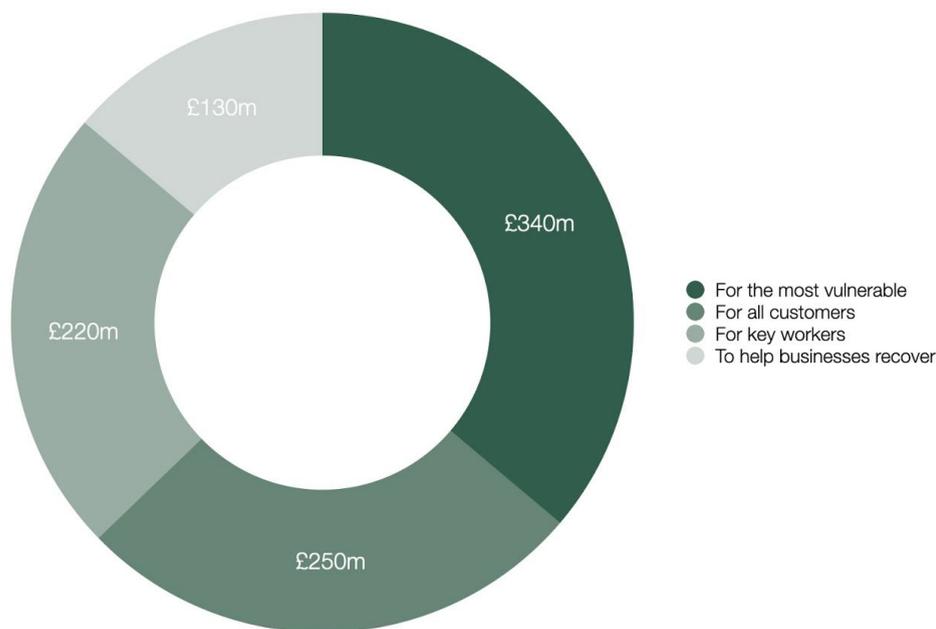
Since the start, we have identified and kept track of more than 50 initiatives from the UK's largest fixed and mobile operators (BT/EE, O2, Three, Virgin Media, and Vodafone). Initially they began by zero-rating access to NHS websites, to ensure access to important health information for all customers. Support was then extended in the form of additional allowances of texts, calls, and data. Help for the elderly and most vulnerable came in the form of unlimited calls from landlines, or additional mobile data, and offers tailored to those who were facing unemployment. Key workers in healthcare were offered additional (often unlimited) mobile data, and discounted mobile bundles.

More recently, with the pivot to homeschooling and online learning, operators have supported students and their families with free data, and by zero-rating popular educational websites, and in some instances even providing devices.

UK operators have made available £940m worth of support so far

Having considered 50 of the initiatives operators have put in place during the course of the pandemic so far, we estimate £940m of support has been made available, with many likely to remain in place until life returns closer to normal. These offers of support fall into four broad categories – those for all customers, those for the most vulnerable, those for key workers, and those to help businesses recover. Figure 1 shows the estimated value of each category of support.

Figure 1: **Value of the support made available by UK telecoms operators during COVID-19**



Source: Assembly

Initiatives to help the most vulnerable make up the largest share of the support offered – worth £340m, or 34.6% of the total. This is perhaps unsurprising, due to the particularly difficult situation these customers face, but it is also testament to the commitment of the operators to assist the elderly, children in disadvantaged families, and those who have lost their incomes. Vodafone for example launched an offer aimed at job seekers, providing them with unlimited data, calls, and texts for £10 per month while they are on Jobseekers Allowance – something that would normally cost £35 per month. Similarly, Virgin Media launched a home broadband offer for those on Universal Credit, providing 15Mbps speeds

for £15 per month. Initiatives available to all customers represent the second largest share of the support being provided (£250m, or 26.3%). Some noteworthy examples include O2 giving unlimited minutes to its pay-monthly customers for two months, and Three's 'Keep On Connecting' campaign during which the operator offered six months of mobile connectivity at half price. Also included in here is the zero-rating of some popular educational websites, such as Oak National Academy.

Initiatives for key workers in the healthcare sector total £220m, or 23.4% of the support available. The most common initiative operators have taken has been to provide NHS workers with significant extra allowances in their bundles. In particular, EE has provided unlimited data for its customers who work in the NHS for a total of 14 months, which means an NHS employee on EE can receive an unlimited data boost worth £25 per month. Support to help small and medium sized businesses recover emerged in the second half of 2020, worth about £130m or 14% of the total support offered so far. For example, Vodafone introduced offers where small businesses could get six months' free broadband if they committed to a 24-month contract, or one year free if they committed to a 36-months. Similarly, BT launched a bursary for 1,000 businesses to take advantage of free fixed and mobile bundles for six months, equivalent to a 25% discount over two years.

In other countries, operators have been just as proactive in their response

The UK has not been the only country where the telecoms sector has played a key role during the coronavirus pandemic. Assembly's *COVID-19 Tracker* has collected the initiatives from 40 operators in nearly 20 other countries, which complement the action taken by regulators and policymakers to keep their citizens connected. These initiatives are broadly similar to those we've seen in the UK, with additional mobile data being the most common offer of support, as well as broadband speed boosts and additional entertainment channels for pay TV customers. In the US, where data caps on fixed broadband are common, some operators made available unlimited broadband during the initial phase of the pandemic.

In nearly every country, operators have become more understanding and supportive towards consumers and businesses who cannot afford to pay their bills on time. In some parts of Italy, which were among the most affected by COVID-19 initially, operators offered free connectivity or refrained from credit actions for some time. Offers tailored to healthcare workers have been common in countries such as Australia, Spain, and Italy, and initiatives to facilitate students with remote learning and homeschooling have been provided in more than 10 other countries.

Assembly

If you have general enquiries about
Assembly and its work, contact:

Assembly
Unit 41
Gossamer Gardens
London E2 9FN
United Kingdom

+44(0) 7786 625 456
info@assemblyresearch.co.uk