Assembly x Point Topic for INCA

# Annual Report 2026

## Executive Summary

March 2026

Assembly

INCA
Independent Networks Cooperative Association

POINT topic

“This is my second INCA Annual report and it’s been a pivotal year for the UK’s Telecoms Market and in particular the Independent Network Operators, the Altnets, as they have moved from disruptors to established players, shaping the market through investment, pace of delivery, and genuine customer choice. As the sector matures, the focus is shifting from build to take up and to sustainable economics with sharper competition, more disciplined capital and ongoing practical barriers that still affect speed and certainty.

In this environment policy and regulation will be decisive in securing a competitive investable gigabit market for the long term. Inca exists to represent that competitive network and the wider ecosystem that supports them, bringing evidence, convening practical solutions, and ensuring the Altnet perspective is heard by Ofcom, government, and stakeholders across the UK as the next phase of the Telecoms Access Review approaches. This report sets out the State of the Altnets and I thank INCA members and our partners for their support and engagement over the past year and in the creation of this report.”

*Paddy Paddison (CEO, INCA)*

# Industry metrics

## 19.7m (+20%)

Network coverage increased 20% year-on-year to reach 19.7m by the end of 2025.

## 4.4 'Excellent'

Altnets have scored an excellent rating of 4.4 stars out of 5 vs BT's 1.3, Sky Broadband's 1.8, TalkTalk's 2.0 and Virgin Media O2's 2.4, and Altnets make up the top 20 ISPs on Trustpilot.

## 4.4m (+20%)

4.4m of premises were in Ofcom's Area 3, meaning Altnets have delivered full fibre connectivity to just under half (46%) of UK premises in harder to reach rural areas.

## +715,000

BDUK has awarded 30 Project Gigabit contracts to nine Altnets worth £1.5bn, planning to cover 715,000 premises with 27% (196,000) premises already covered.

## >3.5m (+32%)

Over 850,000 customers switched to an Altnet during 2025 (32% growth year-on-year).

## £19

Entry-level FTTP prices fell from £22 (2020) to £19 (2025), well below BT (£35) and Sky and TalkTalk (£25), contributing to downward pricing pressure across the wider market.

## >£3bn

Altnets raised over £3bn of new funding in 2025, up from the combined £1.6bn in new investments in 2023 and 2024.

## 900Mbps+

Areas with 4+ networks are £2.90 cheaper for 900-1200Mbps services than areas only served by Openreach FTTP.

# Key messages

1. The UK's independent (Altnet) operators increased their network coverage by 20% year-on-year to reach 19.7m premises at the end of 2025. Nearly 4.4m of these premises were in Ofcom's 'Area 3', meaning that Altnets have delivered full fibre connectivity to nearly half of all premises in hard-to-reach rural areas.

2. Over 850,000 customers switched to an Altnet during 2025, leading to more than 3.5m live fibre connections that are now delivered by independent broadband networks. This reflects 32% growth year-on-year, as well as an 18% take-up rate.

3. Altnets have delivered price certainty for end users by largely avoiding inflation-linked mid-contract rises, while strengthening price competition, particularly for entry-level fibre services. Altnets also outperform the largest retail ISPs on major consumer satisfaction rankings, maintaining strong levels of service quality and reputations for customer experience.

4. Revenues rose significantly in 2025, with four Altnets reporting to have achieved profitability for the first time. Despite a slowed pace of network rollout, the sector still invested over £2bn last year while attracting over £3bn in new external funding – some of which is expected to fuel future consolidation.

5. Altnets are most concerned about customer acquisition, reflecting a shift in priorities for Altnets (and their investors) from premises passed to actual connections. However, network deployment issues, such as PIA and wayleaves, remain top of mind, while the risk of overbuild by other Altnets has risen sharply within the set of challenges identified by the sector.

6. The outlook for the Altnet market will be shaped not only by commercial and operational factors, but also by regulatory and policy developments. Both Ofcom and the Government will continue to play a vital role in busting deployment barriers and enabling genuine competition in fibre networks, which will promote further investment, positive consumer outcomes and national-level growth.

# Industry analysis

## Coverage

At the end of 2025, Altnets reached 19.7m premises in the UK, an increase of 3.3m year-on-year (YoY). Altnets cover areas ranging from urban multi-dwelling units (MDUs), to new build homes to premises in remote and geographically challenging locations. Altnets have also now reached almost 4.4m premises in Ofcom's ‘Area 3’, signalling the development of a more competitive environment in harder to reach areas than the regulator originally anticipated.

## Connections

Live connections for independent operators stood at more than 3.5m at the end of 2025, up from 2.7m or 32% YoY. In terms of penetration, Altnets are seeing an average adoption rate of 18%, which is up two percentage points from the previous year. This indicates that, despite many Altnets cautiously slowing or pausing network build activity, a greater focus on customer acquisition is beginning to deliver incremental gains in subscriber take-up.

## Pricing and customer experience

Altnets have played an important role in improving consumer outcomes by widening the range of available price points, particularly for low-cost fibre access, while applying sustained competitive pressure on incumbents. Independent analysis shows that premises with access to four or more fibre networks consistently experience lower average pricing than those served only by Openreach FTTP. Altnets also continue to deliver a high-quality customer experience, often outperforming major retail ISPs on consumer-ranked review platforms such as Trustpilot and Google Reviews.

## Investment and consolidation

Investment flows in the sector have adjusted as the sole focus on build-out ends, with capex generally falling between 2024 and 2025. Nevertheless, funding for the Altnet market has increased significantly, reaching approximately £3.2bn in 2025 compared to just £1bn in 2023 and £0.6bn in 2024. Although consolidation continues to be a major talking point for Altnets, just six deals were agreed in 2025, with widespread M&A yet to take hold. However, 2026 has already seen the announcement of two prospective deals: nexfibre/Netomnia and Truespeed/Freedom Fibre.

# Altnet risks and concerns

According to the INCA survey, Altnets are currently most concerned about customer acquisition, with PIA availability and costs, street works and planning delays, and securing wayleaves and property access jointly ranking as the second highest risk factor. This represents a significant change in the most prominent issues for the market since the 2025 survey, when access to finance and overbuild by Openreach (now jointly ranked eight) were the two primary concerns.

# Policy recommendations

We have identified eight recommendations for Ofcom and DSIT to continue support for the industry's investment and competitiveness, which would in turn help support delivery of the UK's wider connectivity and growth ambitions:

1. Maintain a commitment to a competitive fibre build;
2. Keep a watchful eye on wholesale price discounting;
3. Provide close oversight of duct and pole access;
4. Prioritise planning reforms;
5. Consider the evidence of the impacts of flexi-permits;
6. Ensure competitive MDU access;
7. Shift the focus to customer adoption; and
8. Explore a Supplier of Last Report (SoLR) process.

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