

Annual Report 2026

Beyond disruptors: Altnets expanding future-proof infrastructure, driving competition in gigabit broadband

March 2026

Assembly



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About Assembly

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About Point Topic

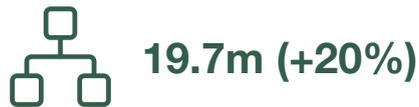
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About this study

The Independent Networks Cooperative Association (INCA) asked Assembly and Point Topic to deliver the 2026 edition of its Annual Report. This study provides evidence of Altnet coverage, connections and concerns, as well as policy and regulation actions to support further investment and the creation of effective competition in the fibre market.

Industry metrics



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



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 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.



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.



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



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.



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



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

Foreword

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)

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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.

Introduction

The proliferation of independent alternative network providers (Altnets) has been the catalyst for change in the UK's fibre market, acting as a force for good in terms of investment and rollout.

Over the past decade, the country's broadband sector has transformed dramatically, epitomised by the strong and consistent growth in fibre coverage. The increase in access has been underpinned to a material degree by the investment of scores of Altnets, many of whom have helped connect end users to fibre for the first time.

The size and pace of Altnets' collective rollout have been profound, enabled by private capital and a regulatory framework that has prioritised incentivising investment in the deployment of multiple fibre networks. From just over a million premises in 2019, Altnets now reach 19.7m homes and businesses. Their emergence has also triggered a reaction from the established operators, causing them to ramp up their own fibre build programmes.

In turn, Altnets have had a positive impact on competitive dynamics at the retail level, offering choice, fair prices and high quality customer service for communities across the UK. Live Altnet connections have surpassed 3.5m, demonstrating sustained consumer demand for full fibre services and the growing maturity of the sector.

As this, the eighth, INCA Annual Report seeks to demonstrate, Altnets have caused a sea change in the UK's digital infrastructure landscape, with plentiful opportunities ahead to drive adoption and support the Government's growth agenda. However, there are practical challenges to delivering infrastructure-based competition at scale. Amid commercial, operational and regulatory headwinds, the interventions of Ofcom and the Department for Science, Innovation and Technology (DSIT) will be critical, from ensuring a stable policy environment to overcoming persistent deployment barriers.

Assessing the scale of the independent network sector

Table 1 below contains key metrics for the UK’s independent fixed networks from the end of 2023, with operators expanding their full fibre footprints by 35% on average over the three-year period, keeping pace with Openreach and increasing further market share from the three remaining major players.¹

Table 1

Key metrics for UK independent network sector
Fixed infrastructure (FTTB/H/P), 2023-2025

Year	Premises passed	Connections
2023	12,884,000	1,992,000
2024	16,396,000	2,698,000
2025	19,734,000	3,552,000

Note: See general caveat in Annex 1

Source: INCA survey, company reports, Point Topic research and estimates

Premises passed and connected by fixed independent networks

At the end of 2025, the UK’s independent network operators are estimated to have passed 19.7m premises with their fixed broadband infrastructure. This is an increase of 3.3m year-on-year (YoY) compared to 3.5m in 2024. Altnets cover areas ranging from urban multi-dwelling units (MDUs), to new build homes to premises in remote and geographically challenging locations.

Yorkshire and the Humber has the largest Altnet coverage, with almost 60% of premises able to access an FTTP service from one or more alternative networks, followed by London (52%) and the West Midlands (51%) (see Figure 1). The North West, North East, East Midlands and South East are close behind, with around 48-49% of premises passed, while the East of England stands slightly lower at 46%. Coverage is more limited in the South West (40%)

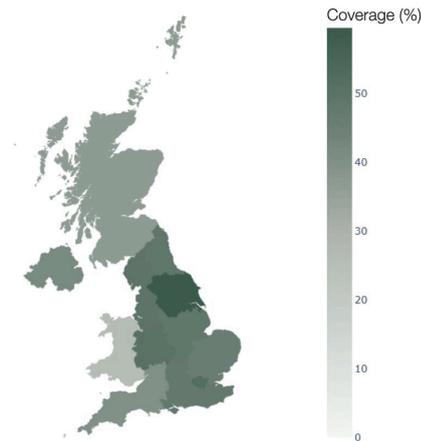
¹ Estimates are based on company reports, plus survey data supplemented by Point Topic research as outlined above, either reported to Point Topic by network operators or using our own estimates when actual numbers are unavailable.

and the devolved nations, with Northern Ireland at 42%, Scotland at 37% and Wales at 26%.

The devolved nations have seen earlier incumbent intervention in these areas along with having geographically challenging deployment conditions, and are not indicative of shortcomings in the Altnet model.

Figure 1

Percentage of premises passed by UK region by fixed FTTP alternative networks
2025



Source: Point Topic

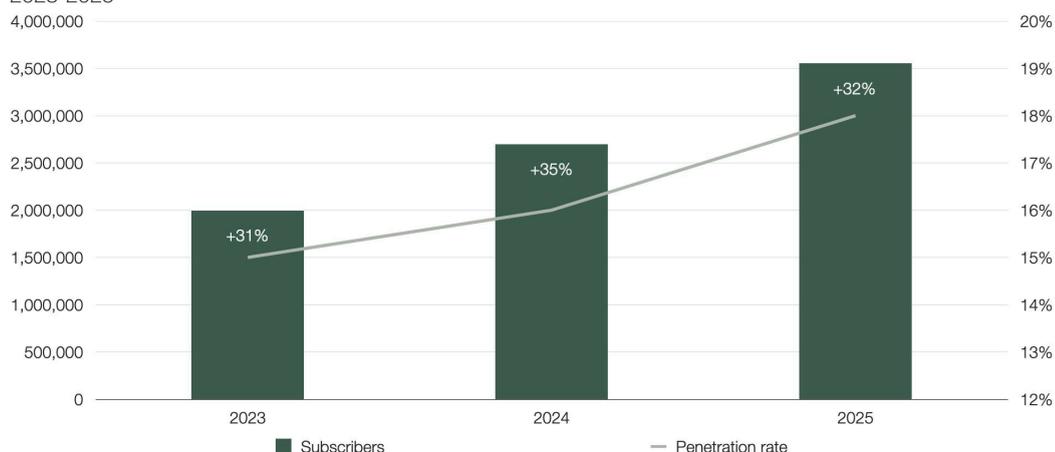
Altnet take-up continues to increase on a YoY basis, albeit at a slower pace than initially anticipated by suppliers and investors. Live connections for independent operators stood at over 3.5m at the end of 2025, up from 2.7m or 32% YoY (see *Figure 2*). In terms of penetration, Altnets are seeing on average an 18% take-up rate, 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 marketing, customer acquisition and conversion is beginning to deliver incremental gains in subscriber take-up.

The ongoing reserved expansion of Altnet networks and gradual increase in take-up are contributing to a more competitive broadband market, placing gradual competitive pressure on incumbent providers and supporting improved choice and outcomes for consumers over time.

Figure 2

Yearly change in Altnet FTTP subscribers and penetration rates

2023-2025



Note: See general caveat in Annex 1

Source: INCA survey, company reports, Point Topic research and estimates

Larger players such as Fibrus reported take-up rates of 28% over its network² and CityFibre reported it had “exceeded 20% penetration across its consumer footprint and is on track to exceed 30% by the end of 2026”.³ Community Fibre grew its customer base by 26% YoY to 429,000, achieving a take-up rate of just under 32% (+7 percentage points), with over one in ten Londoners now using its service.⁴

Ofcom’s latest Connected Nations report, covering the period up to July 2025, noted that: “Take-up of full fibre remains notably higher in rural areas than in urban areas, although full fibre coverage is higher in urban areas than rural areas. Of premises with full fibre access, 56% of premises in rural areas have taken a full fibre service, compared to 40% in urban areas”.⁵

Altnets have delivered a strong increase in subscriber take-up despite facing structural disadvantages relative to incumbent providers. Unlike incumbents, which can migrate large numbers of existing customers onto new full fibre services, Altnets must win customers entirely through new acquisition, without the benefit of established brand recognition, legacy customer bases or, in most cases, national scale.

Against this backdrop, the sector’s performance has been notable. Between 2024 and 2025, Openreach reported approximately 860,000 net line losses, closely mirrored by around 850,000 net additions by Altnets over the same period. With overall fixed-line broadband connections remaining broadly flat, Openreach’s market share declined by around 2%, indicating that Altnets are

² [Financial Results 2024/25 – Fibrus Speeds Ahead of Growth Forecasts](#), Fibrus, 2026

³ [CityFibre delivers record performance in 2025](#), CityFibre, 2026

⁴ [Community Fibre announces record revenue growth; over one in ten Londoners now using its full fibre service](#), Community Fibre, 2026

⁵ [Connected Nations 2025: UK report](#) (page 11), Ofcom, 2025

not only capturing displaced demand from incumbent networks, including Virgin Media O2, but are doing so at scale.

Virgin Media O2 reported approximately 126,000 net broadband losses over the year, reflecting intensifying competitive pressure in markets increasingly characterised by Altnet overbuild and the introduction of the One Touch Switch (OTS) service in September 2024. The switching process has reduced complications for consumers and limited Virgin Media O2's ability to employ targeted retention tactics, while aggressive pricing and high customer satisfaction from Altnets in overlapping service areas have increased churn risk.

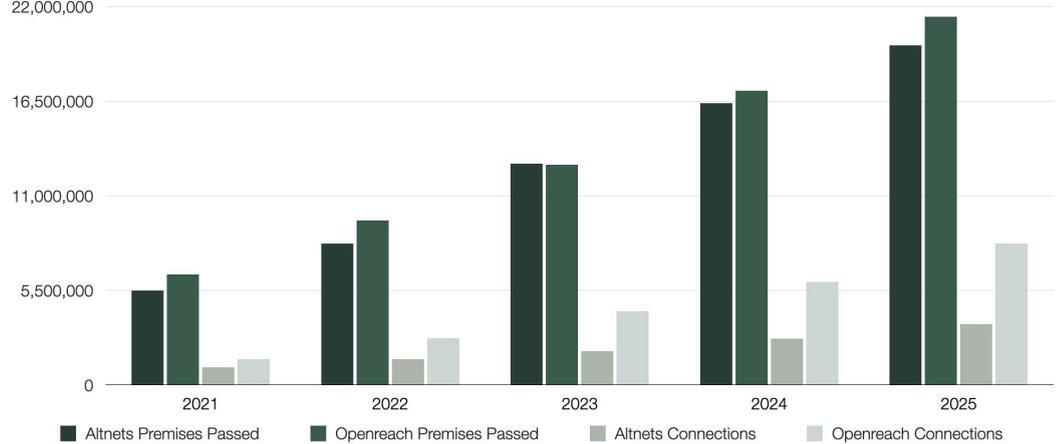
One of Virgin Media O2's parent company, Telefónica, emphasised in its Strategic Plan 2026-2030 a shift toward a higher-performance, customer-driven culture with greater focus on convergence offerings. However, many Altnets have already been operating lean, customer-centric models for several years as they have combined competitive pricing, greater full fibre performance and stronger consumer advocacy. While Virgin Media O2 continues to face competition from BT, EE, Plusnet and Sky, the impact of Altnet expansion is increasingly visible in its penetration rates, which declined from 33.6% in 2023 to 31.4% in 2024 and 30.2% by 2025. Taken together, the data suggest that Altnets, alongside OTS reforms, are contributing meaningfully to the shift in subscriber dynamics across overlapping fibre footprints.

This sustained customer acquisition demonstrates that Altnets are increasingly competing effectively on service quality, pricing and customer experience, and are gradually eroding incumbent market share despite significantly more constrained commercial and structural conditions.

Figure 3 below shows the progression of full fibre premises passed and live connections between 2021 and 2025, highlighting the sector's solid performance when compared to the incumbent supplier, Openreach.

Figure 3

Comparison of independent network providers' and Openreach's full fibre evolution
2021-2025
22,000,000



Note: See general caveat in Annex 1

Source: INCA survey, Point Topic research/estimates, BT Group company reports

Figure 3 does not include infrastructure or connections by the UK's incumbent cable broadband supplier, Virgin Media O2. Worth noting is that the Altnets figures include nexfibre, which is a joint venture between InfraVia and Virgin Media O2's parent companies Liberty Global and Telefónica. On 18 February 2026, InfraVia, Liberty Global and Telefónica announced an agreement to acquire, via nexfibre, Substantial Group (owner of Netomnia), bringing together two of the UK's fastest-scaling full fibre challengers. With the final merger being subject to regulatory scrutiny, the deal illustrates the next phase of sector maturity and a shift from fragmented competitive entry toward scaled infrastructure competition with stronger customer acquisition capabilities and long-term financial sustainability.

The figures also demonstrate that since the end of 2020, when gigabit-capable network rollouts began to hit their stride, Altnets have continued to keep pace with Openreach in terms of coverage and connectivity. Yet, Openreach has successfully leveraged its wholesale full fibre incentivisation/discount Equinox 1 and 2 schemes to retain large numbers of telecoms providers and shift their customers onto their full fibre products.

As Ofcom finalises the upcoming Telecoms Access Review, wholesale pricing incentives and discount schemes remain a central area of focus. While the regulator has not proposed an upfront prohibition of future Equinox-style offers, it has indicated that it will closely monitor wholesale discounting to ensure that commercial terms do not undermine sustainable infrastructure competition. For example, Ofcom has proposed longer notice periods for certain commercial changes and restrictions on geographic discounting, reflecting concerns about the potential impact of certain wholesale pricing structures on sustainable infrastructure competition and market entry.

Coverage mapping

Point Topic maps broadband provision throughout the UK, including footprints of the country's independent network operators at postcode level with monthly updates.

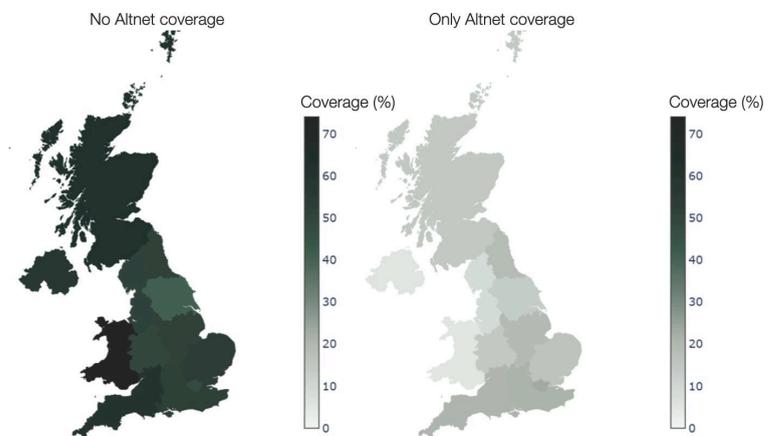
As part of the INCA survey, we asked independent operators to provide their coverage details. However, given that not all independent network suppliers complete the survey we have used our own research and that of our partner Thinkbroadband to provide a view of independent network infrastructure provision today as the sector expands rapidly. Deployments continue to stretch across the UK. Most regions are seeing more choice and better broadband as a result.

Figures 4 to 10 provide further information about national, regional and Ofcom Area 3 Altnet coverage.

Regional variation in Altnet coverage: Drivers and implications

Figure 4 below provides an overview of the regional distribution of Altnet-only versus no-Altnet network coverage at the end of 2025. For those regions lacking an Altnet presence, it is not indicative of a failed rollout model or low demand, but reflects a combination of economic viability, network build strategy and historical market conditions, rather than uneven consumer demand.

Figure 4
Fixed independent operator presence in UK
2025



Source: Point Topic

Across much of the UK, a significant share of premises now relies exclusively on Altnets for full fibre access. In regions such as the South East (21%), South West (20%), East Midlands (19%) and Northern Ireland (18%), close to one in five premises can only access FTTP/B services because an Altnet has built there.

Substantial reliance on independent networks is also evident in London (23%), East of England (16%) and Scotland (15%). Even in regions with lower proportional dependence, including Yorkshire and the Humber (13%) and the

West Midlands (14%), Altnets still provide exclusive full fibre coverage to several hundred thousand premises.

In short, Altnets are no longer simply supplementing incumbent networks but are increasingly the primary source of full fibre connectivity for millions of households and businesses. Although this demonstrates meaningful scale and the growing structural role of independent operators in the UK's fibre landscape, it does not in itself indicate the presence of market power. In many of these areas, competition is developing and, in some cases, locally concentrated. Sustainable competitive outcomes will ultimately depend on continued take-up, financial resilience and the broader regulatory environment supporting infrastructure-based competition.

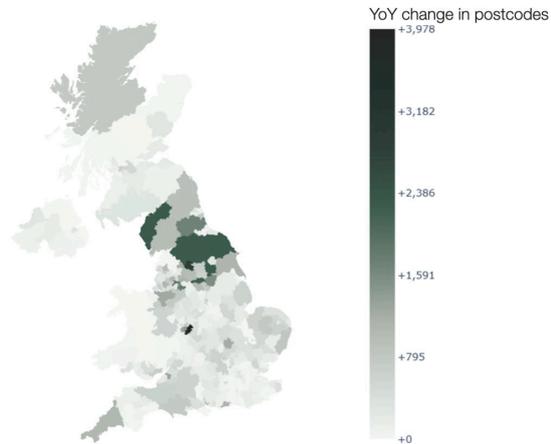
Areas with no Altnet FTTP coverage remain concentrated in regions where deployment economics are more challenging and incumbent investment has historically played a stronger role. The highest proportions of premises without Altnet coverage are in Wales (79%), Scotland (67%), the South West (61%) and the North East (61%), reflecting a combination of lower population density, complex geography and higher build costs. In these areas, earlier publicly supported or incumbent-led network deployments have also reduced the scope for commercially viable competitive entry.

By contrast, regions with larger urban footprints and higher demand, such as Yorkshire and the Humber and London, show substantially lower shares of premises without Altnet coverage. Overall, the data suggests that gaps in Altnet coverage are driven primarily by structural and economic factors rather than lack of consumer demand and highlight where targeted intervention or policy support may be required to sustain competitive network deployment. Lower population density coupled with complex geography and a greater reliance on earlier incumbent or publicly supported network builds have resulted in Altnets focusing on more commercially viable locations.

In these areas, Altnets have tended to focus on selective or localised deployments rather than wide-area rollouts, resulting in slower overall penetration. Consequently, incumbent providers are likely to continue facing more limited competitive pressure in these regions in the near term.

Figure 5

Yearly change in Altnet FTTP postcodes by local authority
2024-2025



Source: Point Topic

Breaking this down even further by Altnet FTTP postcode coverage across UK local authorities from 2024 to 2025, several local authorities experienced notable increases (see *Figure 5*). In Yorkshire and the Humber, Doncaster postcode coverage increased by 45%, followed by Bradford (42%). In the West Midlands, Birmingham saw postcode coverage by Altnets increase by 79%, followed by 54% in Sandwell. Tamworth (West Midlands) and Stevenage (East of England) experienced dramatic rises of 2,810% and 1,805% respectively, though these are from very low initial bases (19 and 22, respectively).

Although growth was widespread, its scale varied between local authorities, reflecting ongoing market pressures and a growing emphasis by suppliers on accelerating subscriber acquisition to support financial sustainability and investor confidence.

In many places, Altnets are the best and sometimes only option. There are millions of premises today that can only get an FTTP/B service thanks to the availability of alternative networks. *Table 2* below provides a further breakdown of premises covered only by Altnet networks.

Table 2

FTTP/B premises passed only by an Altnet
By region, 2025

Government region	Only Altnet premises	Share of total premises
East Midlands	451,682	19%
East of England	515,711	16%
London	956,303	23%
Northern Ireland	252,392	18%
North East	335,353	9%
North West	53,190	6%
Scotland	435,062	15%
South East	972,277	21%
South West	601,410	20%
Wales	83,906	5%
West Midlands	415,400	14%
Yorkshire and The Humber	368,590	13%
Total	5,441,275	-

Source: Point Topic

In total, Altnets provide exclusive FTTP/B coverage to over 5.4m premises, reinforcing their critical role in expanding fibre availability and improving consumer choice, particularly in areas where incumbent networks have not yet delivered comparable coverage.

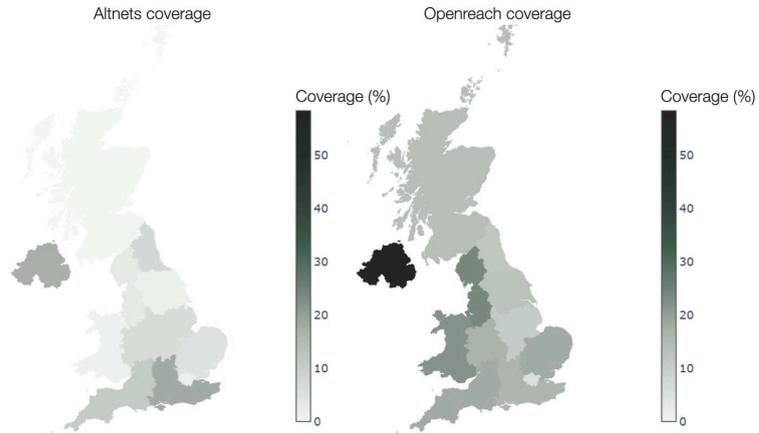
The Altnet effect: How independent networks have redefined Area 3

In its Wholesale Fixed Telecoms Market Review (2021-2026), Ofcom designated predominantly rural and small-town areas as Area 3, based on the assessment that these locations were unlikely to support material and sustainable infrastructure competition. On that basis, Openreach was considered the primary provider capable of extending full fibre coverage in these areas, and regulatory remedies were designed to incentivise investment and expansion by the incumbent.

However, the actual market outcomes in Area 3 have resulted in a more nuanced landscape. Altnets have expanded full fibre coverage at scale, and by the end of 2025, independent suppliers passed an estimated 4.4m premises, equivalent to 46% of Area 3, up from 3.7m premises (38%) at the end of 2024. Over the same period, Openreach passed approximately 5.6m premises, or 59% of premises in Area 3.

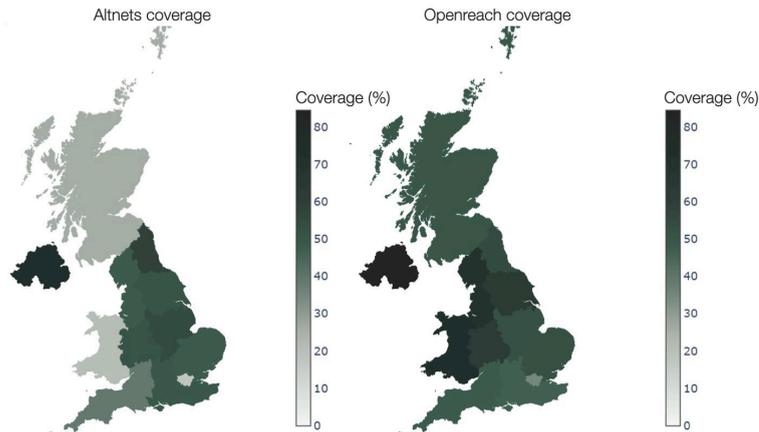
The Area 3 coverage maps indicate that this expansion has not been confined to isolated or niche deployments. Instead, there is clear evidence of geographic overlap and overbuild between Altnet and Openreach FTTP networks across many rural and semi-rural areas (see *Figures 6 and 7*). While competition remains uneven and many parts of Area 3 are still served by a single network, the growing presence of multiple fibre operators across a significant share of premises points to a more competitive landscape than originally anticipated.

Figure 6
Comparison of Area 3 FTTP coverage by region of Altnets and Openreach
2021



Source: Point Topic

Figure 7
Comparison of Area 3 FTTP coverage by region of Altnets and Openreach
2025



Source: Point Topic

However, these developments do not imply that Area 3 has uniformly transitioned to effective competition. As previously reported, it does indicate that the assumption of limited or absent infrastructure competition is no longer applicable across Area 3, particularly in locations where Altnet deployment has reached meaningful scale.

Fixed wireless operators continued to contribute to wider coverage and faster broadband speeds for consumers. As technology has advanced and services have become more affordable, wireless operators have contributed to gigabit-capable coverage countrywide. Ofcom noted that the number of premises without access to decent broadband either through a fixed-line or fixed wireless access (FWA) connection had dropped to 44,000 (-24% YoY).⁶

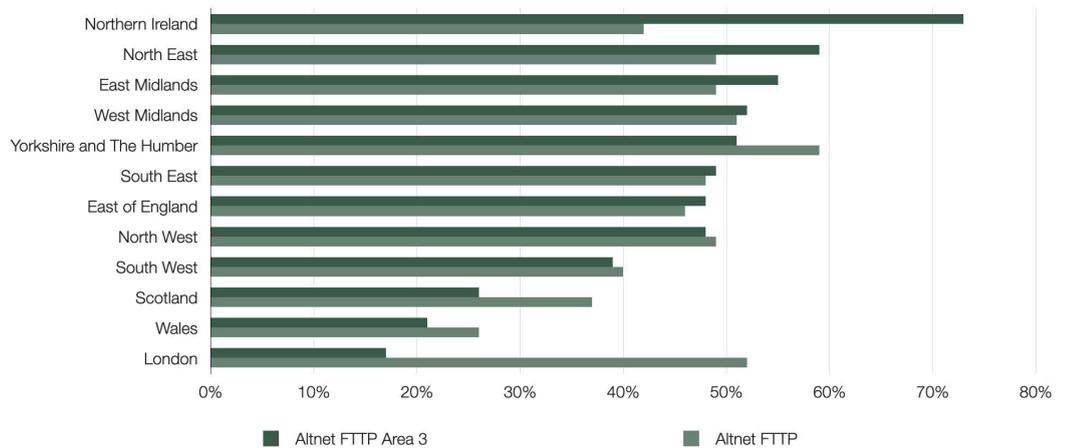
⁶ [Connected Nations 2025: UK report](#) (page 4), Ofcom, 2025

Satellite services are likely to be picking up the slack in terms of connecting these final very hard to reach (HTR) premises to a ‘high-speed’ digital service. Connections to Starlink services increased to 110,000 up from 87,000 connections in June 2024, with over 12,600 of these connections in locations without access to decent broadband from a fixed or FWA network.⁷

For this report, we are reporting fixed line full fibre coverage. *Figure 8* below lists in descending order Altnet coverage by region with Area 3 premises covered within those regions.

Figure 8

Area 3 premises passed by Altnets compared to Altnet premises passed within those regions
%, 2025



Source: Point Topic

The North East recorded the largest YoY increase in Area 3 coverage, rising from 48% to 59%, alongside a more moderate increase in overall regional Altnet FTTP coverage from 43% to 49%. This suggests that 2025 build activity was increasingly directed toward harder-to-serve parts of the region.

The West Midlands and East Midlands also saw significant Area 3 progress, with Area 3 coverage rising from 46% to 52% and 45% to 55%, respectively. London remains the clearest example of an Altnet market dominated by dense urban build economics. Total coverage remained broadly stable at 51% to 52%, while Area 3 coverage remained unchanged at 17% in the capital.

Yorkshire and the Humber showed a different pattern with overall coverage increasing by 8 ppts from 51% to 59%, while Area 3 coverage rose from 40% to 51%, indicating that Altnets are expanding both urban coverage and deeper rural reach in parallel.

Northern Ireland remained a notable outlier, with Area 3 coverage rising slightly from 72% to 73%, while total regional coverage increased from 40% to 42%. This reinforces that Northern Ireland has one of the highest proportions of

⁷ [Connected Nations 2025: UK report](#) (page 20), Ofcom, 2025

Altnet deployment occurring within Area 3 geographies, even though overall regional build growth remains comparatively modest.

Scotland and Wales remained the lowest performing regions for Area 3 penetration, despite incremental progress. Coverage in both Scotland and Wales increased by 4 percentage points to reach 26% and 21%, respectively. Although both regions saw improvements in coverage, the scale of uplift remains limited relative to English regions, reflecting the continued challenges of achieving commercially sustainable fibre deployment in dispersed rural geographies.

Across all regions, Altnets covered 588,330 postcodes by the end of 2024, expanding to 684,664 postcodes by the end of 2025. This reflects a net increase of 96,334 postcodes, representing 16.37% overall growth (see *Table 3*).

Table 3

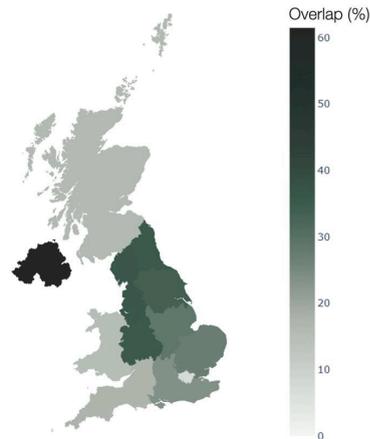
Performance summary of Area 3 Altnet regional postcode coverage
2024-2025

Government region	2024	2025	Increase	Growth
North West	56,408	77,258	20,850	36.96%
West Midlands	48,550	61,600	13,050	26.88%
Wales	11,482	14,289	2,807	24.45%
Yorkshire and The Humber	65,487	80,282	14,795	22.59%
East of England	51,320	61,611	10,291	20.05%
North East	22,897	26,565	3,668	16.02%
East Midlands	40,145	45,966	5,821	14.50%
South West	55,163	62,259	7,096	12.86%
South East	98,253	107,212	8,959	9.12%
Scotland	41,218	44,821	3,603	8.74%
London	76,622	80,963	4,341	5.67%
Northern Ireland	20,785	21,838	1,053	5.07%

Source: *Point Topic*

While Area 3 is still (until March 2026) officially classified as non-competitive and HTR, both Openreach and Altnets are deploying in the same areas, which has created the competitive landscape Ofcom sought in its original WFTMR framework.

Figure 9
Overbuild – Percentage of Area 3 premises covered with FTTP by Openreach and Altnets
2025

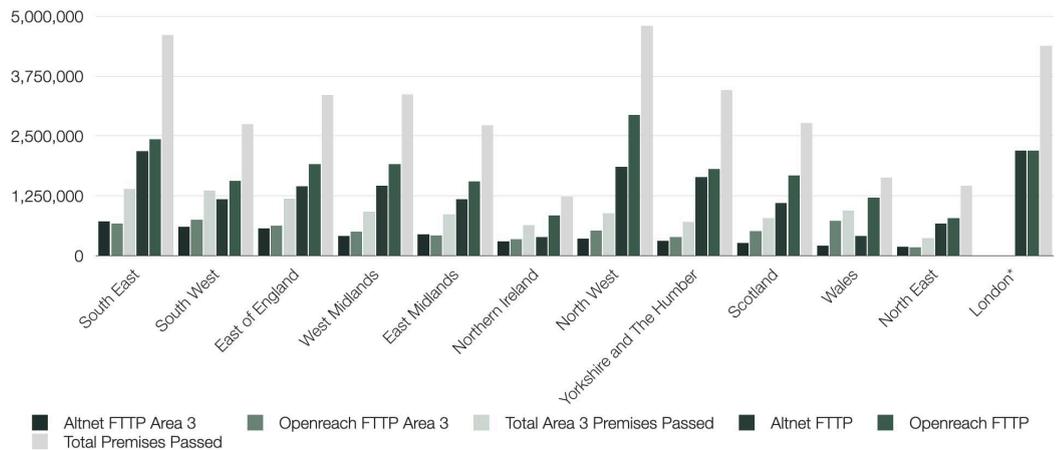


Source: Point Topic

The data indicates that material network overbuild between Altnets and Openreach is now present across large parts of Ofcom’s Area 3 footprint and at the close of 2025, overbuild accounts for more than a third of Area 3 premises in several regions, including the North West (36%), North East (35%), West Midlands (35%), and Yorkshire and the Humber (34%), with similarly high levels in the East Midlands (29%) and East of England (27%) – see *Figures 9 and 10*.

Most notably, Northern Ireland stands out, with overbuild affecting 61% of Area 3 premises, suggesting particularly strong competitive overlap in rural and small-town markets. By contrast, London shows minimal relevance to Area 3 dynamics due to its small Area 3 footprint.

Figure 10
Openreach and Altnets FTTP, premises passed by region and split by total and Area 3 coverage
2025



Note: Area 3 premises <1,500 (Altnets coverage reached 618 compared to Openreach’s 1,257)

Source: Point Topic and supplier UPRN/postcode data where supplied

As Ofcom finalises a new wholesale market review, these observed outcomes are relevant in the context of the regulator’s proposals to extend the buffer

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distance used to define the boundary between Area 2 and Area 3 for leased lines, reflecting updated evidence on the potential impact of physical infrastructure access (PIA) on competitive network build. In this context, the scale of Altnet deployment and the evolving competitive dynamics within Area 3 will be important considerations in assessing whether Ofcom's geographic market definitions and proposed remedies remain proportionate and aligned with emerging market conditions over the 2026-2031 period.

Pricing and performance

Altnets are delivering price certainty

Between 2020 and 2025, UK broadband pricing practices have seen clear divergences between large national providers and many Altnets. While the largest providers relied on inflation-linked mid-contract price increases (typically linked to CPI/RPI plus a fixed uplift), most Altnets avoided percentage-based in-contract rises altogether, instead offering fixed prices for the duration of the minimum term or, where increases applied, disclosing fixed amount (£) changes in advance.

Ofcom's prohibition of inflation-linked price rises came into effect from 17 January 2025.⁸ The regulation mandated that ISPs must provide pricing transparency with any increases to be listed in pounds and pence, essentially formalising a pricing approach that many Altnets had already adopted

Ofcom's latest Pricing and Consumer Engagement report published on 26 February 2026, highlights why this matters. Over two million residential broadband and landline switches have taken place since the introduction of One Touch Switch in September 2024, and 18% of households switched their Internet provider during the year, up from 14% in 2023.⁹ As switching has become easier and engagement has risen, clear pricing structures and certainty over what customers will pay have become increasingly important competitive differentiators.

In the context of the cost-of-living crisis, this difference has material implications for affordability, consumer trust and competitive dynamics. *Table 4* below provides an overview of major retail ISP and Altnet pricing practices from 2020 to 2025.

⁸ [Statement: Prohibiting inflation-linked price rises](#), Ofcom, 2024

⁹ [Pricing and consumer engagement](#), Ofcom, 2026

Table 4
Operator pricing practices and increases
Price rises, 2020-2025

Provider	2020	2021	2022	2023	2024	2025
BT/EE	5.7% (CPI + 3.9%)	4.5% (CPI + 3.9%)	9.3% (CPI + 3.9%)	14.4% (CPI + 3.9%)	7.9% (L) (CPI + 3.9%)	6.4% (L) (CPI + 3.9%) or £3
Virgin Media O2	6.6% (RPI + 3.9%)	5.3% (RPI + 3.9%)	11.7% (RPI + 3.9%)	17.3% (RPI + 3.9%)	8.8% (RPI + 3.9%)	7.5% (L) (RPI + 3.9%) or £3.50
Sky	Package-specific	Package-specific	£3.60 on average, up to 10% for copper legacy packages	8.1% on average	6.7% on average	6.2% on average
TalkTalk	5.5% (CPI + 3.7%)	4.3% (CPI + 3.7%)	9.1% (CPI + 3.7%)	14.2% (CPI + 3.7%)	7.7% (CPI + 3.7%)	6.2% (L) (CPI + 3.7%) or £3
Vodafone	5.7% (CPI + 3.9%)	4.5% (CPI + 3.9%)	9.3% (CPI + 3.9%)	14.4% (CPI + 3.9%)	7.9% (L) (CPI + 3.9%) or £3	6.4% (L) (CPI + 3.9%) or £3
Altnets (typical)	No mid-contract rises	No mid-contract rises	No mid-contract rises	No mid-contract rises (selective increases applied by Hyperoptic)	No mid-contract rises (fixed increases applied by Hyperoptic)	Many altnets still do not apply mid-contract increases

Note: Ofcom 'pounds and pence' rule effective 17 January 2025, (L): Legacy contracts
Source: Point Topic, ONS, operator pricing guides and websites

As cost-of-living challenges continue with little sign of easing, consumers are being increasingly budget-conscious on their recurring utility costs.

To illustrate the impact of inflation-linked mid-contract price rises, a household taking a £30 per month broadband contract in early 2022 with a large provider applying CPI/RPI +3.9% would have seen annual increases of:

- **April 2022:** +9.3%, £32.79
- **April 2023:** +14.4%, £37.51
- **April 2024:** +7.9%, £40.47

As the most cost-effective broadband packages usually come with a 24-month commitment, most consumers would see two price increases over the contract term. This would result in monthly bill rises by £10.47 (+35%), adding approximately £125-£150 to the total cost of the contract compared with a fixed price baseline.

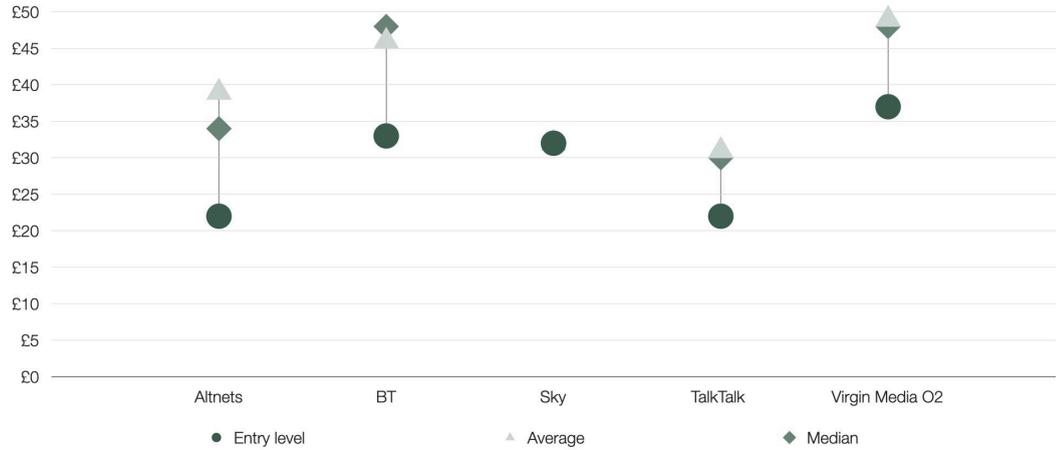
By contrast, an Altnet offering a fixed £30 per month contract with no mid-contract rises would deliver the service at the advertised price throughout the minimum term.

Between 2020 and 2025, the UK full fibre or gigabit-capable broadband market has become materially more competitive, with Altnets maintaining an important role in shaping pricing dynamics, particularly in the entry-level segment (see *Figure 11*).

Figure 11

Altnets versus top four major ISPs entry-level, average and median broadband tariffs

2020

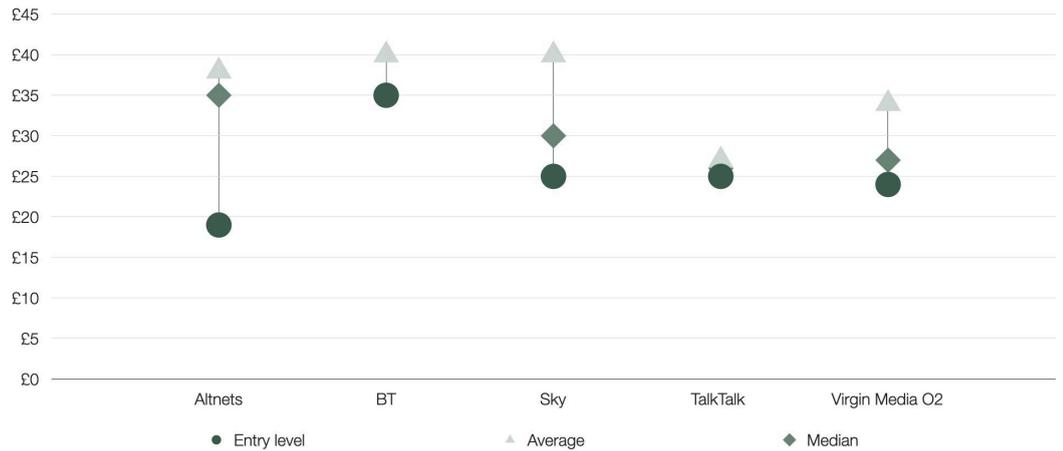


Source: Point Topic

Figure 12

Altnets versus top four major ISPs entry-level, average and median broadband tariffs

2025



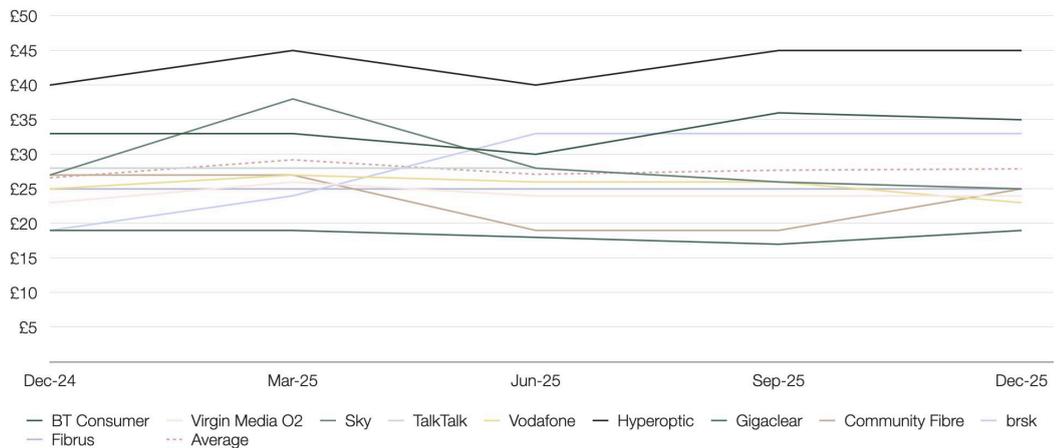
Source: Point Topic

In 2025, Altnets' entry-level pricing stood at £19, down from £22 in 2020, reinforcing their ability to offer lower-cost full fibre access than the major providers (see *Figures 12 and 13*). Altnets retain a clear pricing advantage over BT, whose entry-level price has increased from £33 to £35, and remain below Sky (£25) and TalkTalk (£25).

Breaking this down even further by year-on-year pricing for the major ISPs, Vodafone and the five of the largest independent providers, the majority of the Altnets have consistently remained below the average cost for entry-level FTTP packages.

Figure 13

Altnets versus the major players for entry-level ultrafast (>100Mbps) pricing (£) per month
Q4 2024-Q4 2025



Source: Point Topic

Average pricing across the sector highlights a broader shift in the market. Altnets' average price has remained broadly stable (£39 in 2020 versus £38 in 2025), suggesting that despite modest reductions at entry-level, the sector has maintained pricing strength overall, showing the growing demand for higher-speed full fibre packages.

In contrast, the largest players have seen notable reductions in average pricing over the same period. BT's average price has fallen from £46 to £40, while Virgin Media's has dropped sharply from £49 to £34, indicating increased downward pressure on mainstream pricing, driven by intensifying Altnet network competition and the need to combat churn and the impact of OTS.

The median pricing trends also reinforce this shift. BT and Virgin Media have moved from medians of £48 in 2020 to £35 and £27 respectively in 2025, indicating a repositioning of their broadband portfolios toward lower effective price points. Altnets' median price has edged up slightly from £34 to £35, suggesting that their pricing is converging with the wider market at mid-range levels, even while they continue to offer relatively strong entry-level value. Sky has remained broadly stable on average pricing, but its median has fallen from £32 to £30, resulting from strong promotional activity, an increase in coverage through its agreement with CityFibre, and pricing competition in its core packages.

Independent analysis carried out by FDM for INCA, further reinforces the structural impact of infrastructure competition on pricing outcomes. Its February 2026 Regional Pricing analysis shows that premises with access to three or more than four fibre networks consistently experience lower average broadband pricing than those served only by Openreach FTTP (see *Table 5*). The effect is particularly pronounced in higher speed tiers where customers with access to four or more networks have seen 900-1200Mbps packages costing £2.90 per month less than in Openreach-only areas since mid-2025.

Notably, while Openreach-only areas remain competitive at sub-100Mbps speeds, the strongest downward pricing effects emerge in the 100–199Mbps and 900–1200Mbps brackets, where alternative networks are most active. This indicates that competition from multiple independent fibre networks is having the strongest pricing impact in the entry-level 100Mbps and gigabit tiers, rather than in lower-speed legacy broadband products. FDM’s findings also indicate that major retail providers have increasingly adopted regional pricing strategies in areas of heightened network competition, either passing through wholesale discounts or responding directly to alternative network presence. In combination with One Touch Switch reforms, this dynamic is contributing to a more responsive and locally competitive retail broadband market.

Table 5

Premises with 3 or 4+ networks available have seen the most competitive pricing in H2 2025
Regional Pricing, Average Pricing by No. of Networks, July 2025-February 2026

	Openreach FTTP Only	Openreach FTTP + Virgin Media O2	Any 2 networks	Any 3 networks	Any 4+ networks	Openreach FTTC Only
<100Mbps	£32.31*	£33.02	£33.63	£33.23	£33.30	£33.95
100-199Mbps	£34.80	£34.00	£34.26	£33.62	£33.65*	–
200-399Mbps	£37.82	£36.14	£36.36	£35.34*	£36.00	–
400-899Mbps	£38.98	£38.31	£38.04	£37.51*	£37.68	–
900-1200Mbps	£44.13	£43.22	£43.03	£41.50	£41.23*	–

Note: (*) Lowest price in network speed range

Source: FDM

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 simultaneously applying sustained competitive pressure on incumbents. The result is a more dynamic marketplace in which consumers benefit not only from lower entry pricing, but also from stronger price discipline among major providers and a broader range of competitively priced full fibre services.

Altnets lead on customer experience

Altnets maintain strong levels of consumer trust and satisfaction, and in many cases are outperforming the major retail providers on independent review platforms, such as Trustpilot and Google Reviews. This is an important indicator of growing market maturity as the sector moves beyond a pure network build phase, with customer experience and service reputation becoming increasingly central to driving take-up.

Evidence from Trustpilot suggests that consumer sentiment is strongly skewed in favour of independent providers. The top 20 ISPs ranked by consumers on Trustpilot are Altnets, with none of the four major retail ISPs appearing in this

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list.¹⁰ On average, independent ISPs achieve an 'Excellent' rating of 4.4 out of 5, compared with significantly lower scores for the major providers, including BT (1.3), Sky (1.8), TalkTalk (2.0) and Virgin Media O2 (2.4).¹¹ This substantial gap implies that, where Altnet services are available, many consumers perceive a clear difference in service quality, reliability and customer support.

¹⁰ Accessed on 1 February 2026, Trustpilot [Best in Internet Provider category](#) with results listed by Most Relevant. Sorting by relevance shows all businesses that are "best" in a category, ordered by TrustScore and review count. To be eligible: The business must have collected at least 25 reviews in the past 12 months; and the business must have the 'Asks for reviews' status label. These requirements ensure that the best businesses in a category actively promote trust and transparency by continuously asking for feedback from their customers.

¹¹ Overall rankings are based on the average of 60 tracked Altnet providers and the top four major ISPs that have received overall performance ratings on Trustpilot. Ratings were accessed on <https://uk.trustpilot.com/> on 1 February 2026

The financial health of the industry

Investment flows

The telecoms sector was not immune to the challenging macroeconomic and political factors that have become commonplace since 2023. As has been widely reported, many Altnets have slowed their fibre network deployments to concentrate to a greater extent on increasing take-up and revenue, particularly in areas where they have a more established or mature presence. This shift is evident in operators' financial reporting, with Community Fibre stating around a 70% decrease in capex year-on-year.¹²

Nevertheless, this partial change in mindset and the restructuring or reorganisation activities of a minority of Altnets should not overshadow the sector's continued investment, which has led to significant growth in fibre coverage in certain areas over the last twelve months. The £2bn of capex in 2025 demonstrates that network investment, including into rural and underserved parts of the country, continues to flow. For example, in January 2026, Grain made a number of separate rollout-related announcements, outlining plans to cover Sheffield in South Yorkshire and Goole in East Yorkshire, and stating that their deployment in Nuneaton in Warwickshire was now under way. These build on similar announcements Grain made regarding Wigan in Greater Manchester and Coalville in Leicestershire in December 2025.

Case study: Netomnia

In May 2025, Netomnia announced that it had raised a further £160m to contribute to its network deployment, pushing it to boost its coverage target of 3m premises passed by the end of 2025, to 5m by the end of 2027. In 2024, Netomnia was EBITDA positive (£10.8m), although when considering its recent merger with Brsk, this figure turns negative, with a loss of approximately £29.6m.¹³ Despite this, the merged operator announced it had achieved a positive EBITDA in 2025 of £5m.¹⁴

Meanwhile, external investment into the Altnet market recovered in 2025. In total, Altnets drew in over £3bn of new funding, a significant increase on the previous two years, which together only saw approximately £1.6bn of funding

¹² See Annex 1

¹³ [Netomnia, YouFibre and brsk 2024 Full Year Results](#), Netomnia, 2025

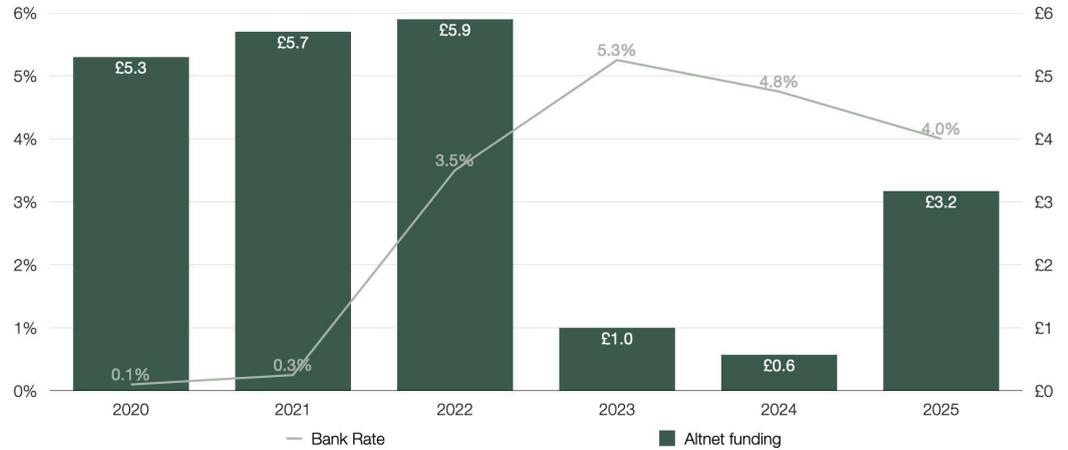
¹⁴ [Netomnia, YouFibre, Brsk Annual Results 2025](#), Netomnia, 2026

amid above average interest rates and heightened investor caution (see *Figure 14*).

Figure 14

The Bank Rate versus funding raised by Altnets

%, £bn



Source: Assembly, Bank of England, INCA

It is worth noting though that a significant part of the latest full year's total has come from CityFibre's July 2025 announcement of £2.3bn of funding from a private investment consortium – see *Table 6*. A further notable development was Netomnia's £300m increase in debt funding. In May 2025, Netomnia announced £160m of junior debt funding from I Squared Capital and Palistar Capital. In September of that year, Netomnia then announced a further £140m of debt funding made up of increased contributions from I Squared Capital and Palistar Capital, alongside new funding from Rand Merchant Bank (RMB) and Bain Capital.

Although capital remains available, some operators have found it more challenging than others to access new funding from private investors, with certain institutions seemingly prioritising support for those Altnets perceived as being capable of challenging Openreach and Virgin Media O2 in the long-term. Gigabit IQ, an Altnet that mostly operates in Hampshire and Surrey, has taken an innovative approach, launching a crowdfunding campaign to raise £270,000 to support the future expansion of the business based on the principles of "safety, inclusion and trust".¹⁵

¹⁵ [Why We're Crowdfunding Gigabit IQ: Building Safer Broadband Families Can Trust](#), Gigabit IQ, 2025

Table 6
Altnet funding raises in 2025

Altnet	Date announced	Primary investor(s)	Funding
CityFibre	July 2025	Goldman Sachs, Antin Infrastructure Partners, Mubadala Investment Company, Interogo Holding	£2.3bn
Netomnia/Brsk	September 2025	I Squared Capital, Palistar Capital, Rand Merchant Bank (RMB), Bain Capital	£300m
Grain	July 2025	HPS Investment Partners, LLC, Equitix	£225m
GoFibre	August 2025	Scottish National Investment Bank (SNIB), Hamburg Commercial Bank	£125m
Gigaclear	December 2025	Infracapital, Equitix, Railpen	£80m
Highland Broadband	August 2025	Alpha Real Capital, SNIB	£50m
Wessex Internet	June 2025	National Wealth Fund	£50m
Total	–	–	£3.2bn

Source: Assembly, CityFibre, Grain, National Wealth Fund, Netomnia, SNIB

In October 2025, the UK Government announced the Sterling 20 initiative, a new partnership aimed at driving investment into local infrastructure, including gigabit-capable broadband, and supporting the development of scale-ups in “modern Industrial Strategy sectors”.¹⁶ The initiative involves 20 of the UK’s largest pension funds and insurers, such as Nest and Aviva. Rural homes and businesses are set to be one of the winners of this investment vehicle, with Nest already announcing plans for £40m of funding for fibre deployments to HTR communities in the north of England and Scotland.

Financial performance

As Altnets look to prioritise adoption, some have reported hitting key milestones. In January 2026, Cumbria and Northern Ireland-based Fibrus announced that it had achieved 30% take-up across its fibre network, representing one of the strongest adoption rates in the industry and a customer base of more than 135,000. Similarly, in December 2025, Airband – a fibre and fixed wireless access (FWA) provider in Wales and South West England – announced it had reached 30,000 customers, an increase of around 11,000 from March 2024.

During 2025, Altnet financials reflected this progress in fibre adoption rates, with some seeing revenue uplifts of over 500%.¹⁷ Improving revenue performance represents the beginning of the take-up phase for the sector, while also resulting in certain operators reaching profitability in their earnings before interest, taxes, depreciation and amortisation (EBITDA) for the first time.

¹⁶ [Britain’s biggest pension funds back regional growth drive](#), HM Treasury, 2025

¹⁷ See Annex 1

Case study: Community Fibre

In May 2025, London-based Altnet Community Fibre announced that it had reached profitability for the first time following an 82% increase in revenue, reporting an EBITDA of approximately £8m in its latest full accounts.¹⁸

This success can be put down to Community Fibre's significant customer growth in consumer and business markets, which had increased by 51% from April 2024. This made Community Fibre the third largest Altnet in the UK (after CityFibre and Netomnia) and the largest in London. As the Altnet sector shifts its focus to customer adoption of its services, Community Fibre's growth of its customer base in 2024/25 is a leading example in the market.

More recently, in January 2026, the operator announced further positive results, with its annual revenue up by 48%, reaching £113m.¹⁹ It also saw a 530% increase in its EBITDA from 2024, now up to £49.8m. Community Fibre's customer base continued to grow too, which is likely the key driver behind its financial successes in 2024 and 2025.

Although many Altnets are beginning to see revenue growth, some have encountered particular headwinds caused by the wider economic environment, with both G.Network and Gigaclear facing uncertain futures. In November 2025, Gigaclear launched a process to try to resolve its £1bn debt, but no sale materialised. On 19 January 2026, it was announced that the National Wealth Fund, NatWest and Lloyds would take control of the company. On 5 January 2026, G.Network was sold to distressed debt specialist, FitzWalter Capital, who then moved to put the company into administration just a week later. Alvarez and Marsal, the firm appointed to lead the administration process, has stressed that it does not expect there to be any negative impact on G.Network customers.²⁰

Consolidation trends

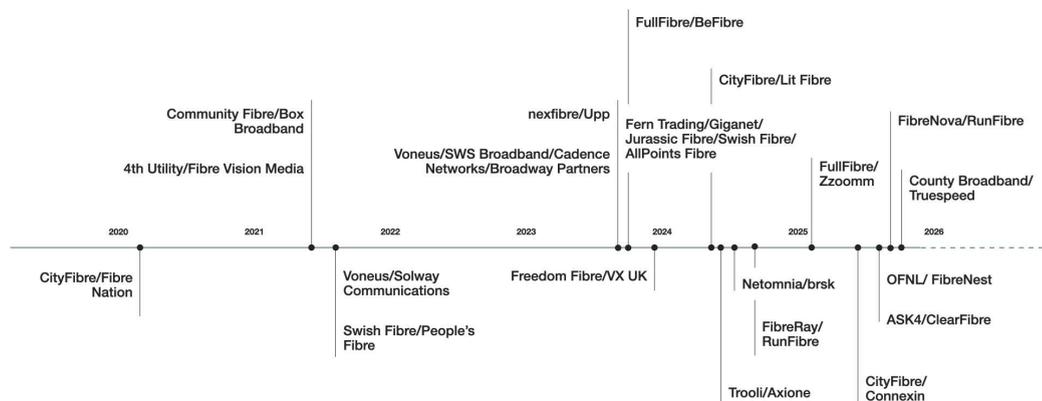
The prospect of mergers and acquisitions within the Altnet community continues to be one of the industry's major talking points, even if consolidation is yet to proceed en masse. For the 2020-2025 period, we are aware of 20 successfully completed transactions (see *Figure 15*), including 'in-family' combinations (Netomnia/brsk, County Broadband/Truespeed), mergers (e.g. FullFibre/Zzoomm) and acquisitions, such as those spearheaded by CityFibre (Connexin, Fibre Nation, Lit Fibre) and Virgin Media O2/nexfibre (Upp).

¹⁸ [Community Fibre posts first profit with 82% annual revenue growth](#), Community Fibre, 2025

¹⁹ [Community Fibre announces record revenue growth; over one in ten Londoners now using its full fibre service](#), Community Fibre, 2026

²⁰ [G.Network appoints Joint Administrators](#), G.Network, 2026

Figure 15
Timeline of major Altnet deals
2020-2025



Source: Assembly

2025 saw six deals (see *Table 7*), including CityFibre's acquisition of Hull-based Connexin. The mergers of FullFibre/Zzoomm and County Broadband/Truespeed were also significant, creating networks with over 600,000 and 177,000 premises passed, respectively.

Table 7
Altnet transactions in 2025

Merging parties	Date announced	Outcome of merger	Areas present	Estimated combined footprint
CityFibre, Connexin	March 2025	CityFibre – Infrastructure supplier Connexin – Retail ISP	Hull, East Riding	4.6m
FullFibre, Zzoomm	January 2025	FullFibre – Infrastructure supplier Zzoom, BeFibre – Retail ISPs	110 market towns across England	602k
County Broadband, Truespeed	July 2025	Truespeed – Infrastructure supplier County Broadband, Truespeed – Retail ISPs	East Anglia and Bristol area	177k
Open Fibre Networks Limited, FibreNest	May 2025	Open Fibre Networks – Infrastructure supplier FibreNest – Retail ISP	UK-wide	223k
ASK4, ClearFibre	May 2025	ASK4 – Infrastructure supplier FibreNest – Retail ISP	UK students and residents (renters) in multi-tenant buildings	–
Fibre Nova, RunFibre	June 2025	Fibre Nova – Infrastructure supplier RunFibre – Retail ISP	South Gloucestershire	1,500

Note: No estimate footprint estimate was available for ASK4/ClearFibre

Source: Assembly, Think Broadband

The regulatory environment is expected to be conducive to further Altnet consolidation, with the combination of smaller, often more localised, providers unlikely to pose risks for competition. The Competition and Markets Authority (CMA) would not be expected to subject deals involving these players to any significant scrutiny. Review by the CMA is of course more likely in the context of deals between larger Altnets, such as the recently announced nexfibre/Netomnia transaction.

On 18 February 2026, InfraVia, Liberty Global and Telefónica announced an agreement to acquire, via nexfibre, Substantial Group, the owner of Netomnia.

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According to the parties, the transaction would establish a full fibre footprint of around 8m premises by the end of 2027. The deal would also see two of Openreach's largest competitors come together, closing the gap on the incumbent. However, given the size of the operators involved, the deal is likely to attract attention from the CMA, which may consider whether it reduces the possibility of another scaled operator emerging in the future.²¹ In addition, certain other Altnets may not be supportive of the deal going ahead, with CityFibre already raising concerns regarding the potential effects on competition and consumer choice, highlighting network overlap between the merging parties as a particularly contentious issue.

²¹ [Consolidating the altnets: The main act](#), Assembly Research, 2026

Altnet risks and concerns

The INCA survey asked operators to rate how concerned they are about a range of factors related to challenges to their network deployment as well as their ability to offer services to, and acquire, customers. For 2026, Altnets identified customer acquisition as their most pressing concern, with three further issues ranked jointly in second place:

- PIA availability and costs;
- Street works and planning delays; and
- Securing wayleaves and property access.

Customer acquisition

According to the survey, the Altnet market's current primary concern is customer acquisition. With just under three quarters of UK homes now able to access fibre broadband services,²² widespread customer acquisition is the crucial next step to the Altnet market's competitiveness with the established players. Encouraging the take-up of Altnet services has proved challenging though, with operators struggling to attract customers without a recognised and reliable brand while also facing public misunderstandings about differences between full and part-fibre options. This is an area where consolidation could be key, with the potential for a smaller number of larger providers to improve brand recognition and attractiveness for customers.

PIA availability and costs

Despite the survey's question around PIA availability and costs being a new addition, it has been ranked as the respondents' second most pressing concern. PIA is widely used by Altnets and has generally been deemed a success by Ofcom in supporting competition in fibre, but views on its current delivery and suitability vary.

Openreach has argued that Ofcom should not seek to regulate PIA in a way that prioritises delivering returns to Altnet investors, frequently stating that the product is popular and "as cheap as chips".²³ However, some Altnets – as major consumers of duct and pole access – consider that Openreach's per metre access pricing has led to more expensive rural fibre deployments. This was made clear in the UK Government's Science, Innovation and Technology

²² [Connected Nations update: Spring 2025](#), Ofcom, 2025

²³ [Event debrief: Connected Britain 2024, Day 2](#), Assembly Research, 2024

Committee's recent evidence session, where Chi Onwurah MP (Chair, Science, Innovation and Technology Committee) announced that Altnets had written to her on the matter. Although this issue falls more under Ofcom's remit than the Government's, Baroness Liz Lloyd (Minister for Digital Economy, DSIT), did underline that her department is seeking increased transparency from Ofcom on its pricing methodology for PIA.

Street works and planning delays

The third key concern among Altnets, rising four places compared to the 2024 survey, is related to the barriers to street works and the delays caused by planning procedures. Delays to gaining permits to deploy fibre have been a longstanding challenge in the UK and although the pressure on local councils may have temporarily eased while the build-out of networks has slowed, it is clear that this is still a key issue for Altnets – even as customer acquisition takes top spot. Many Altnets have urged the Government to take action in this area for some time now – in 2022, CityFibre called for the introduction of flexi-permits to widen the areas where it can undertake street works while also reducing administrative burdens for local authorities, speeding up deployment.

²⁴

Securing wayleaves and property access

Increasing two places year-on-year, the final joint second concern for Altnets is their ability to secure wayleaves and property access for fibre deployments. These issues have been particularly accredited to the difficulties faced by many Altnets in accessing multi-dwelling units (MDUs), including apartment blocks. This problem has been particularly prevalent in cities where MDUs represent most of the housing stock.²⁵

Concerns have been raised about delays to the Building Safety Regulator's (BSR) approvals processes for fibre deployments and on 27 January 2026, the Government published a consultation that considers changing these processes.²⁶ Encouragingly, the consultation proposes to reduce some of the procedural requirements for acquiring approval to deploy fibre cables to MDUs that may be considered disproportionate or unreasonable.

Notable changes in priorities

In comparison, in 2024, access to finance was the top concern among Altnets, but has significantly dropped down the rankings, with only 51% of respondents highlighting it as a challenge and only one calling it a 'significant challenge'. This change, alongside increasing Altnet revenues, demonstrate the market's new pursuit of profitability via customer take-up as funding and capital expenditure becomes less of a priority.

²⁴ [Making street works, less work](#), CityFibre, 2022

²⁵ [Deploying fibre to MDUs](#), Assembly Research, 2025

²⁶ [Improving proportionality and safety outcomes in building control: telecommunications works](#), Ministry of Housing, Communities and Local Government, 2026

Access to finance and overbuild by Openreach went from being the sector’s top two concerns in 2024 to ranking joint eighth this year (see *Table 8*). However, overbuild by other Altnets (including Virgin Media O2/nexfibre) ranked fifth – up from 15th in 2025, highlighting intensifying network-based competition across more of the UK.

In 2024, Altnets’ second largest concern was over the risks of Ofcom’s Telecoms Access Review (TAR), yet in 2025, these concerns have lessened significantly. Ofcom’s TAR proposals do little to suggest a revolution in its regulation of the market, with the regulator instead opting for a stable continuation of its current framework. However, Altnets remain concerned over certain TAR-related challenges, most notably regarding the risks of reduced regulation on SMP operators (i.e. Openreach and KCOM) as well as the prospect of higher PIA charges.

Table 8
Changing concerns between 2025 and 2026

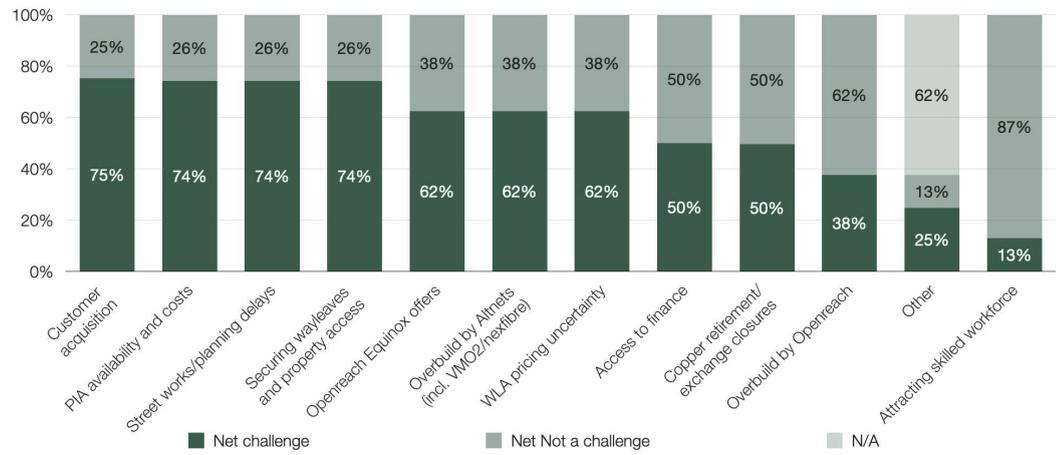
Challenges	Rank 2026	Rank delta from
Customer acquisition	1	+4
PIA availability and costs	2	–
Street works/planning delays	2	+6
Securing wayleaves and property access	2	+2
Openreach Equinix offers	5	–
Overbuild by Altnets (including Virgin Media O2/nexfibre)	5	+10
WLA pricing uncertainty	5	–
Access to finance	8	-7
Copper retirement/exchange closures	9	–
Overbuild by Openreach	10	-7
Other	11	+3
Attracting skilled workforce	12	–

Note: Emboldened challenges represent new areas of questioning for the 2026 survey
Source: INCA Survey

The scale of Altnet challenges

Although customer acquisition, PIA costs and planning issues have largely been perceived as the key concerns for the Altnet market in 2025, operators have not underestimated the scale of some of the other challenges they face. Altnets still see Openreach Equinix offers, overbuild by other Altnets and wholesale local access (WLA) pricing uncertainty as considerable issues, with 63% of survey respondents deeming these to be a challenge in some way – see *Figure 16*. Some challenges saw more division among Altnets though, with survey respondents equally split over whether access to finance and copper retirement are still a challenge in 2025. With regard to the access to finance issue, this divide makes sense given the wide disparities in investment between Altnets, with some operators still searching for funding while others have more definitively deprioritised further build-out for the immediate term.

Figure 16
Net impact of Altnet challenges



Source: INCA Survey

Policy and regulatory context

Regulatory developments

Wholesale Fixed Telecoms Market Review (WFTMR)

Regulation of the UK's fixed broadband market is largely provided for within Ofcom's WFTMR, published in March 2021, which in essence set out a 10-year framework that aims to address BT's position of significant market power (SMP), while promoting investment and ensuring fair competition.²⁷ A host of independent providers have since rapidly built out full fibre networks across the country, empowered by this regime and the backing of private equity firms or investment funds. However, not long after Ofcom's WFTMR decisions came into effect, the regulator's approach was tested by Openreach's launch of its new pricing offer for fibre access, known as 'Equinox'. In September 2021, Ofcom opted not to take action in response to the offer – a position supported by the Competition Appeal Tribunal (CAT), which dismissed an appeal by CityFibre. In May 2023, the regulator then took the decision not to prevent 'Equinox 2'. While Openreach has argued that its two Equinox offers were customer-led and deemed fair by the regulator,²⁸ several Altnets have seen them as a direct challenge to their business, potentially designed to nip competition in the bud.²⁹

Industry debate has also quickly resumed on if and/or how the sectoral framework should evolve. For example, some Altnets have taken the view that Ofcom should protect competition, not just promote it, gearing oversight of the sector towards achieving long-run consumer welfare through diversity of supply.³⁰ Openreach has stated that it wants to see continuity, consistency and predictability in regulation – i.e. “no fiddling” with the rules.³¹ On this at least, the incumbent has been able to find a degree of common ground with many among the Altnet community, who consider that Ofcom must finish what it started, with 1.5 networks not a good result from either a competition or consumer standpoint.

²⁷ [Ofcom's WFTMR](#), Assembly Research, 2021

²⁸ [Event debrief: Connected North 2024](#), Assembly Research, 2024

²⁹ [Conference debrief: Connected North 2023](#), Assembly Research, 2023

³⁰ [Taking the temperature of the UK Altnet scene](#), Assembly Research, 2022

³¹ [The UK fibre landscape](#), Assembly Research, 2023

Telecoms Access Review (TAR)

In March 2024, Ofcom formally kicked off the TAR, soon after issuing information requests to various organisations while also opening the door to a wave of preliminary submissions from stakeholders.³² INCA and its membership have sought to play an active role in the process, voicing concerns, engaging with the regulator and providing evidence on a range of issues and market dynamics.

In March 2025, Ofcom published a draft of the TAR, which will establish the regulatory framework for the UK's wholesale fixed broadband markets for the 2026-2031 period.³³ By preserving the status quo (rather than seeking to effect any sort of overhaul of the current regime), Ofcom aims to provide operators and their backers with the clarity and certainty that it hopes will ultimately secure long-lasting competitive investment in fibre networks. Specifically, the regulator has made the following proposals:

- **Geographic markets:** 'Area 2' should expand from 70% to 90% of premises in the UK, with 'Area 3' contracting from 30% to 10%. There are no areas yet where competition is sufficiently established or effective (i.e. 'Area 1');
- **Wholesale pricing:** A cap on the nominal price that Openreach can charge retail providers for speeds up to 80/20Mbps, rather than 40/10Mbps at present;
- **Discounting:** Prohibition on Openreach offering geographic discounts across all charges and longer notice periods on certain commercial terms from 90 days to 120 days, although no upfront ban on potential future Equinix offers;
- **PIA:** Continued access for competitors to Openreach's ducts and poles based on no undue discrimination and updated charges, with no extension of all network owners on equivalent terms (as was recommended by Openreach); and
- **Quality of service (QoS):** Where Openreach is unlikely to face competition, new backstop standards around the speed and quality of repairs and installations for fibre services.

Ofcom's main TAR proposals were later followed by two additional consultations:

³² [Ofcom's Telecoms Access Review](#), Assembly Research, 2024

³³ [Ofcom's Telecoms Access Review: Staying the course](#), Assembly Research, 2025

- **October 2025:** A further consultation on an alternative approach to achieving pricing continuity in the WLA markets by relying on Openreach's contracts rather than imposing charge controls; and
- **November 2025:** A further consultation on specific amendments to Ofcom's leased line access (LLA) market analysis to reflect a greater potential impact of PIA and on technical adjustments to its cost modelling and proposed charge controls for PIA, LLA and inter-exchange connectivity (IEC) services.³⁴

One Touch Switch (OTS)

In September 2024, Ofcom confirmed OTS had gone live in the UK (albeit with a six-week transition period, during which existing switching processes remained in place as a safety net).³⁵ OTS aims to help broadband and landline customers switch more easily and quickly between providers by removing the need for them to contact their existing provider. Since 2015, customers of providers that use Openreach's network – e.g. BT, Sky, TalkTalk – have been able to move to another provider using this network by only informing the new provider (i.e. a gaining or recipient provider-led process). However, customers moving to or from a different network, such as Altnets or Virgin Media O2, have also had to contact their existing provider in order to coordinate the switch.

Announced in 2021, OTS was meant to be implemented in April 2023, but experienced multiple postponements. BT and Virgin Media O2 have been accused of dragging their feet and over-complicating proceedings, contributing to delays to the go-live date.³⁶ Low rates of switching has long been an issue for broadband providers (and Ofcom), with higher speeds and better network reliability often failing to incentivise 'sticky' customers. That said, in September 2025, Ofcom reported that more than 1.6m customers had switched landline or broadband provider during the year after OTS came into effect.³⁷ The regulator also stated that there are still many customers who are out of contract and could be missing out on savings, urging them to check their contract and compare the different offers available on the market.

Government interventions

Project Gigabit

Building Digital UK's (BDUK) Project Gigabit programme focuses on subsidising the final 20% of premises (9.5m properties) not covered by commercial build plans, predominantly in rural or HTR areas. As of January 2026, BDUK has awarded 38 procurement contracts to nine Altnets (plus Openreach) worth £2.3bn, aiming to cover more than 1m premises over the

³⁴ [UK: The impact of PIA on the leased lines market](#), Assembly Research, 2025

³⁵ [One touch \(switch\) is all it takes](#), Assembly Research, 2024

³⁶ [UK: Simplifying broadband switching](#), Assembly Research, 2024

³⁷ [1.6 million Brits hit switch on their landline or broadband provider](#), Ofcom, 2025

coming years.³⁸ After Northern Ireland, Scotland and Wales were added to the subsidy programme in late 2023, in February 2025, Borderlink (GoFibre) was awarded the first Project Gigabit contract in a devolved nation,³⁹ subsequently being awarded an additional contract in July of that year to connect thousands of HTR premises in the North East of Scotland.⁴⁰

To date, CityFibre has secured ~40% of contract value worth £920m in subsidies covering 403,000 premises as a consequence of being awarded some larger region wide procurements. Other successful suppliers of smaller procurements include Connect Fibre, Fibrus, Freedom Fibre, Gigaclear, Quickline, Wessex Internet and Wildanet. In rare cases of contracts being modified or mutually terminated (e.g. with Fibrus, Freedom Fibre), BDUK has moved to find a solution, including by identifying alternative suppliers to take them on.

The Government provided £1.9bn in the Spending Review 2025 for BDUK, with a view to supporting operators to achieve 99% coverage by 2032, albeit with a specific focus on improvements in Scotland and Wales in the short-term.⁴¹ However, while the Government considers this appropriate to help deliver the next phase in the transformation of the UK's digital infrastructure, concerns have been raised in Parliament over whether a shortfall in funding may emerge.⁴² According to Sir Ashley Fox (MP, Bridgwater), Openreach has shared those concerns with him, which could put the Government's 2032 target at risk. In response, Kanishka Narayan (MP, Vale of Glamorgan and Parliamentary Under-Secretary of State, DSIT) stressed that Openreach "has not made that representation to me".

BDUK's Gigabit Broadband Voucher Scheme (GBVS) is part of Project Gigabit, enabling eligible homes and businesses to access (via selected providers) vouchers worth up to £4,500 to help towards the costs of installing gigabit-capable broadband. In September 2025, BDUK reported that 55,740 premises (37% of the total during the period) were connected to a gigabit-capable network through the initiative between April 2024 and March 2025.⁴³ Having moved to a more regular reporting cycle, BDUK then reported in November 2025 that a further 14,460 premises had been reached through the use of vouchers between April-September 2025.⁴⁴ We estimate that this takes the overall number of premises connected via the scheme to 220,500 as of Q3 2025.

In March 2025, BDUK also announced that the GBVS had been extended to cover certain urban areas (with £2m reportedly made available for premises in

³⁸ [January 2026: Premises contracted and built under Project Gigabit contracts](#), BDUK, 2026

³⁹ [Borders and East Lothian](#), Scottish Government, 2025

⁴⁰ [North East Scotland](#), Scottish Government, 2025

⁴¹ [Spending Review 2025](#), HM Treasury, 2025

⁴² [Rural Broadband: Installation](#), UK Parliament, 2026

⁴³ [Bulletin: BDUK delivery performance, annual: April 2024 to March 2025](#), BDUK, 2025

⁴⁴ [Bulletin: BDUK delivery performance, quarterly: April 2025 to Sept 2025](#), BDUK, 2025

these locations that have been missed by commercial deployments⁴⁵), while the deadline for gigabit vouchers has been extended to March 2028. Currently, there are a handful of areas (or “lots”) that are open to new GBVS project applications, including parts of North East England, Scotland and Wales.⁴⁶ Many INCA members continue to use the voucher programme to extend their commercial network footprints to harder to reach properties.

Overcoming network deployment barriers

In June 2025, the Government outlined – both in its Infrastructure Strategy⁴⁷ and in its Industrial Strategy⁴⁸ – a number of commitments it would make to remove barriers to the deployment of fixed broadband infrastructure in order that the commercial market can deliver “as far and as fast as possible”:

- Implement the outstanding provisions in the **Product Security and Telecommunications Infrastructure (PSTI) Act 2022**: The PSTI Act received Royal Assent in December 2022, with Part 1 (covering security for smart products) coming into effect in April 2024. In contrast, Part 2 of the act – which outlines changes to legislation (including to the Electronic Communications Code) that deal with the rights of operators to install, maintain, use and share telecoms infrastructure – remained unimplemented. In May 2025, the Government consulted on secondary legislation to implement some outstanding elements of the act (sections 61-64), which are due to come into force on 7 April 2026;⁴⁹
- Bring forward a more **flexible permitting system** for street works across England if ongoing trials are successful: Currently, operators must obtain a permit for each street where works take place, creating a significant administrative burden, both for them and for councils. The Government has also acknowledged that such works account for the majority of the cost of fixed network deployments. However, while Altnets⁵⁰ as well as Openreach⁵¹ have called for greater action on ‘flexi-permits’, limited headway has been made amid local authority opposition⁵² and in spite of some successful trials;
- Make it easier to deploy **broadband in flats**: Despite the passing of the Telecommunications Infrastructure (Leasehold Property) Act (TILPA) in 2021 to address the issue of unresponsive landlords, the process to

⁴⁵ [Gigabit Broadband Voucher Scheme Expanded to UK Urban Areas](#), ISPreview, 2025

⁴⁶ [Gigabit Broadband Voucher Scheme information](#), BDUK, 2026

⁴⁷ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury and National Infrastructure and Service Transformation Authority, 2025

⁴⁸ [The UK's Modern Industrial Strategy](#), Department for Business and Trade, 2025

⁴⁹ [Draft regulations to commence Sections 61 to 64 of the Product Security and Telecommunications Infrastructure Act 2022](#), DSIT, 2025

⁵⁰ [Event debrief: Connected Britain 2024, Day 2](#), Assembly Research, 2024

⁵¹ [Event debrief: ISPA's Parliament & Internet conference 2024](#), Assembly Research, 2024

⁵² [Building broadband and mobile infrastructure](#), House of Commons Library, 2024

install fibre within multi-dwelling units (MDUs) is often still slow, difficult and/or costly.⁵³ In December 2025, the Government launched a consultation on proposals to give leaseholders the right to request a gigabit-capable connection and to impose on freeholders the duty not to unreasonably refuse those requests.⁵⁴

- Launch a call for evidence on **changes to planning laws** that could enable faster rollouts of fixed (and mobile) networks: Planning issues are invariably high on Altnets' list of concerns regarding rollout. In December 2025, the Government opened a consultation, seeking input on how or where it should change planning rules and update policy guidance to accelerate digital infrastructure deployments.⁵⁵ The call for evidence does not set out definitive proposals and is primarily focused on England given that planning is a devolved matter.

Statement of Strategic Priorities (SSP)

Within the Infrastructure Strategy, the Government underlined its role in providing strategic direction to help regulators “do their job”, noting that it would shortly issue a revised SSP to guide Ofcom’s oversight of the telecoms sector. In July 2025, DSIT launched a two-month consultation on a proposed SSP, which would update the current – and original – version from 2019.⁵⁶ It reflects the Government’s ambitions and agenda, for instance unlocking economic growth, promoting digital inclusion and boosting investment, innovation and productivity.⁵⁷ Having considered stakeholder responses, on 11 February 2026, DSIT presented a draft of the SSP for telecoms and spectrum to Parliament.⁵⁸

The draft SSP contains an evident steer to Ofcom to closely monitor Openreach’s wholesale terms and pricing, and to prevent it offering commercial arrangements that would harm competition and investment – two outcomes the Government considers more important than reducing retail prices in the short-term. Compared to the current SSP, the draft feels considerably stronger in urging Ofcom to: proactively monitor whether Openreach is providing PIA according to the no undue discrimination principle; take action if Openreach is found not to be compliant with its regulatory obligations and ensure any changes to the PIA framework via the TAR are proportionate, evidence-based and again support competition and investment. The Government also states that it wants greater transparency about how

⁵³ [Barriers to network deployment: Fixed](#), Assembly Research, 2025

⁵⁴ [Legislative proposals to address broadband rollout in leasehold flats](#), DSIT, 2025

⁵⁵ [Reforming planning rules to accelerate deployment of digital infrastructure, DSIT and MHCLG](#), 2025

⁵⁶ [Proposed Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services](#), DSIT, 2025

⁵⁷ [The UK’s Statement of Strategic Priorities for telecoms and spectrum](#), Assembly Research, 2025

⁵⁸ [Draft Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services](#), DSIT, 2026

Ofcom calculates PIA prices, which should be based on a fair and reasonable pricing model, and take account of submissions during the TAR process.

Further, the draft SSP “expects” Ofcom to take a cautious approach when considering whether to remove regulation, so that competition can be established and then maintained over time. Notably, there is discussion of the regulator’s role in the take-up of gigabit broadband, with the proposed SSP encouraging new reporting from Ofcom on adoption every six months alongside ongoing monitoring of the OTS process. Once a final version is published, Ofcom must share with the Government within 40 days an initial report on how the regulator intends to have regard to the SSP’s directions.

Recommendations

Altnets are a key part of the connectivity jigsaw, helping to drive competition and consumer choice. Their future outlook will be shaped not only by a range of commercial and operational challenges, but also regulatory and policy factors. We have identified eight recommendations for Ofcom and DSIT to create the conditions conducive to continued investment and competitiveness, which would in turn help support delivery of the country’s connectivity and growth ambitions:

- **Maintain a commitment to a competitive fibre build:** Ofcom’s approach to infrastructure and its regulatory decisions have facilitated a fibre build-out that has surpassed its own expectations. With the TAR statement imminent, Ofcom should continue to commit to a pro-investment, pro-competition strategy at the halfway point of its 10-year framework, broadly ensuring consistency and stability to maintain industry momentum;
- **Keep a watchful eye on wholesale price discounting:** In light of offering a degree of freedom to Openreach over access pricing, the regulator should be vigilant in ensuring that price levels remain fair and reasonable, with any proposed promotions given appropriate scrutiny and prevented if they would negatively impact wholesale competition, for example by inducing loyalty;
- **Provide close oversight of duct and pole access:** With PIA considered a foundational remedy, Ofcom is right to continue with unrestricted access to Openreach’s duct and pole network. Given the Government’s strategic steer, Ofcom should be prepared to be transparent and proactive in respect of any new reporting obligations regarding its calculation of cost-based charges, while closely monitoring that PIA is supplied according to the principle of no undue discrimination;
- **Prioritise planning reforms:** Removing any further obstacles to fibre deployment should continue to be high on the Government’s agenda despite a number of successes by the Barrier Busting Task Force on

this front. Taking utmost account of input from industry, DSIT should prioritise (even look to expedite) revisions to planning regulations to help sustain commercial fibre investment, which will underpin new flagship housing and data centre projects;

- **Consider the evidence of the impacts of flexi-permits:** Adoption of a national flexi-permit system could improve the speed and efficiency of operators' rollouts if local authority opposition can be overcome. The Government should carefully assess the evidence from recent pilot projects, collaborating with relevant stakeholders to explore how this initiative could be implemented with minimal administrative burdens or inconvenience to residents;
- **Ensure competitive MDU access:** More straightforward access to MDUs would help accelerate access to fibre for tenants in block of flats; however, it should be pursued in a way that does not favour one provider over another. Dialogue and collaboration between stakeholders (e.g. Altnets, Openreach, property owners) will be key to help ensure working people are equipped with the tools for modern living without sacrificing consumer choice or competition;
- **Shift the focus to customer adoption:** The Government has placed the onus on industry to promote fibre to consumers, while Ofcom's work to date has also focused on boosting access rather than adoption. At this juncture, it is vital that the Government reflects on its role in encouraging the take-up of fibre services by consumers and businesses, potentially setting 'north star' targets, which may look similar to longstanding supply-side objectives; and
- **Explore a Supplier of Last Report (SoLR) process:** While the UK has witnessed the emergence of scores of new fibre broadband providers, the Government should be mindful of the risk that competition in some parts of the country will not be sustainable, and that a number of smaller players could fail. By anticipating the worst-case scenario, an SoLR process would establish a safety net for affected customers and help industry ensure none are left without service.

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