

INCA's Better Fibre Live

IN MARCH INCA HOSTED ITS BETTER FIBRE LIVE EVENT, A HALF DAY CONFERENCE CONCERNED WITH BOTH THE STATE OF THE ALTNETS REPORT AND INCA'S NEW CONSUMER TOOL, BETTER FIBRE. MELISSA COGAVIN REPORTS.



INCA

Independent Networks
Cooperative Association

The report contained some upbeat news for a sector that has seen more than its fair share of blows and negative press in the past 12 months:

- Altnets have expanded their full fibre footprints by 35% over the three-year period between 2023-2025
- In terms of penetration, Altnets are seeing an 18% average take-up rate, an increase of 2% on the previous year.
- Openreach's markets share has declined by around 2%, indicating that Altnets are not only capturing displaced demand from incumbent networks, including Virgin Media O2 (whose penetration rates declined by 3.4 percentage points between 2023-25), but are doing so at scale.
- Altnets entry-level pricing in 2025 stood at £19, down from £22 in 2020. National providers are currently significantly higher – BT (£35); Sky (£25); and TalkTalk (£25).
- Over the five-year period, Altnets' average price was broadly stable (£39 in 2020 v £38 in 2025) – this compared to notable reductions in the average prices from BT (£46 to £40); and Virgin Media O2 (£49 to £34). This data strongly suggests that intensified Altnet network competition has been driving downward pressure on mainstream pricing.
- The top 20 ISPs ranked by consumers on Trust Pilot are Altnets, with none of the four major retail ISPs appearing in this list. On average independent ISPs achieve a rating of 4.4 out of 5 compared with BT (1.3), Sky (1.8), TalkTalk (2) and Virgin Media O2 (2.4)
- Yorkshire and Humberside has the largest Altnet coverage, with at least 60% of premises able to access FTTP from an Altnet.

An address from Plaid Cymru's Ann Davies MP reminded attendees that rural communities depend on connectivity more than ever, heaping praise on Altnets in general, with particular attention to Ogi, South Wales' trailblazing Altnet spearheaded by Ben Allwright. She went on to say that legacy operators badly let these communities down following the wreckage of 2024's Storm Darragh. It took 4 months for many households to be reconnected, and that the agility and cost-effective pricing that characterises Altnet enterprises is in direct contrast to this. Starlink remains the only option for the most remote households but at £75 per month, this is vastly more expensive than the average Altnet price bracket.



Assembly Research produced a comprehensive review of the industry, followed by a panel discussion featuring Matt Yardley from Analysys Mason, Karen Egan from Enders Analysis and Hayden Shaw, Insight Director FDM who was worried about the price war between Altnets, saying, "Pricing is collapsing. 1Gb broadband was £42 a month on average, and now it's £36. There is only so long that we can continue to erode that."

However, Veronica Speiser from Assembly Research argued that, "Price rises are starting to happen and it's something that customers are getting used to." The consensus was that the addition of a pound here or a pound there shouldn't aggravate customers too much; equally reducing prices by a pound here or a pound there shouldn't really affect a decent Altnet's bottom line. Graeme Oxby, CEO of Community Fibre added, "Price isn't everything. If you are resistant to raising your price by a £1 because you're worried about losing customers, you aren't running a very effective business."

Findings from the consumer study included:

- 76% of Altnet customers agreed that 'my broadband provider offers good value for money', compared to 68% of major providers; and 33% of Altnet customers compared to only 19% of major provider customers said they "strongly agree" with this
- 1 in 10 users of national broadband providers are considering switching to smaller/independent providers, representing around 2.5 million households
- 41% of users of national broadband providers feel or expect that smaller providers care more about their customers, whereas 65% of Altnet users had the same thoughts – and Altnet customers are twice as likely to say 'strongly' so, by 20% to 9%

- Altnet customers are more likely to trust their broadband provider to act in their best interests as a customer, and "strongly" so, by 25% to 19%
- More users of national broadband providers (70%) worry about hidden costs or unexpected price rises than Altnet users (60%)
- More users of national broadband providers (65%) feel that broadband is more complicated than it needs to be compared with Altnet users (58%)
- One in three Altnet customers agree "strongly" that they are "satisfied with the customer service I receive from my current broadband provider" compared to one in four national broadband provider customers

COMMERCIAL CONTRACTS POTENTIAL

Untapped opportunities for Altnets included large commercial contracts, and the final panel was unanimous: businesses were generally paying legacy operators 'egregious rates' for broadband, but the Altnets themselves lack the scale or resources to court big companies face to face, over long periods of time. Decision making is slow. Onboarding takes time. Settling invoices takes even longer. It is a frustrating situation for Altnets that could potentially make huge profits in this area.

On the issue of consolidation, perspectives varied. The luckier Altnets themselves consider it good fortune of course: "We didn't set out to consolidate; we set out to be competitive," was one (slightly defensive) view, while Guy Miller reminded people that "Consolidations will happen if investors want to do it, it isn't really up to Altnets themselves. It's out of our hands." Conal Henry, founder and Chair of Fibrus argued that consolidation should not necessarily be the *raison d'être* of a business anyway. "If you build a business



whose return depends on an M&A, as soon as it happens, you cede control of that business.”

Martin Harriman, Chair at Wildanet and Non-exec Chair at GoFibre pointed out that the success of a business can't depend on consolidation alone and without the four P's of Marketing in place: Product, Price, Place and Promotion, you won't even get to consolidation phase.

Paddy Paddison, Chief Executive at INCA, summed things up: “Whilst there is much work to do by the independent network sector and still a lot to play for, the data from both studies shows real promise for Altnets.

“There is definitely a ‘changing of the guard’ emerging in the broadband marketplace. Altnets are pretty much matching the big players for new connections growth, taking share from them, and there is a lot of evidence that the independent market is giving the big providers more than a run for their money when it comes to customer value and experience. That is vindication for the Government's policies to create more

competition in the ultrafast broadband market – and the UK is now benefitting from it.

“We're now seeing Altnets moving from supplementing incumbent networks to increasingly being the primary source of full fibre connectivity for millions of households.”

Despite the slower pace of network rollout, Altnets still invested £2 billion during 2025 and increased coverage by 20% year-on-year to reach 19.7m premises by the end of the year, with nearly 4.4m of these in Ofcom's Area 3, a milestone in as much as the Altnets have delivered full fibre connectivity to nearly half of all premises in hard to reach areas.

There were some significant performances during 2025 in the Altnet sector, with Fibrus reporting take up rates of 28% and CityFibre reporting it had exceeded 20% penetration across its consumer footprint and is on track to exceed 30% by the end of 2026. Community Fibre also grew its customer base by 26% year-on-year to 429,000, achieving a take up rate of just under 32%.

Meanwhile as consolidation progresses, the very fate of INCA themselves is at risk. Goodwill alone won't save another membership organisation whose members are eating each other whole as the market matures. The experience and knowledge in the room shouldn't be underestimated; the shared history and long relationships in the room are extremely valuable, and there are lots of ideas on the table about how to approach such challenges. The positive outcomes contained in the State of the Altnets report, said Lloyd Felton, INCA Board Member, in his closing comments, demonstrated that we are better together than apart, as an organisation. “Independence is an asset, but only if we use it collectively.”

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