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'UNLIMITED LIMITS' STILL BAFFLE NINE OUT OF TEN^[1] BROADBAND USERS

18 months after the issue first hit the headlines, almost one million^[2] consumers reach unlimited limits

- **Over half (56%)^[3] of major broadband providers are still prepared to disconnect people that use Broadband services to 'excess'**
- **6.2^[1] million broadband customers wrongly believe they have an unlimited broadband service with no cap on usage**
- **7.5^[1] million broadband customers do not know their download limit and could be at risk of exceeding their 'fair usage policy', just over one in four^[4] people actually read it**
- **Almost one million^[2] consumers have been victims of the 'unlimited limit' by nearly reaching or exceeding their limit in the last year alone**
- **Just 22%^[3] of the major broadband providers are transparent and advertise the true limits of their packages**
- **The Sky is the limit as Sky Max becomes the first provider to launch the only truly unlimited broadband service^[5]**

Eighteen months after the unlimited broadband debacle first hit the headlines and around nine out of ten broadband users (86%) still don't understand the limit on their service^[1]. New research from uSwitch.com reveals that 6.2 million^[1] broadband customers wrongly believe they have an unlimited broadband service and a further 7.5 million^[1] do not know what their limit is – a total of 13.7 million^[1] confused customers. This has led to almost 1 million^[2] consumers nearly reaching or exceeding their limit in the last year alone, an issue that could be avoided if providers clearly stated their 'unlimited limits'.

However, it seems providers are taking action at last. Last month, Sky laid down a gauntlet for other broadband providers by launching the first completely unlimited service, Broadband Max^[5]. They have completely removed the fair usage policy from the terms and conditions, becoming the first provider in the UK to offer the only truly unlimited broadband deal.

This really is an exception as more than half (56%)^[3] of all major broadband providers are still using the term unlimited and still baffling broadband users as they do set limits on their packages. Just two providers^[3] actually publicise official limits.

With over 16 million^[6] broadband connections in Britain bandwidth usage is growing. Video applications and services such as the BBC's iPlayer become more popular with consumers the unlimited issue is only set to continue. Unfortunately, broadband users are completely unaware as to how much their activity adds up to in terms of their overall usage. Even activities such as uploading files can contribute to their 'acceptable usage' and could cause users to breach the threshold set by their supplier. This means that broadband customers are in danger of having their services limited, suspended or even terminated by their provider.

Tim Wolfenden, Head of Communications at uSwitch.com, comments: "The solution is easy, broadband companies should not be allowed to class their packages as unlimited if they are not. Providers are confusing consumers to the extent that broadband users do not even know if they are exceeding a user limit. Broadband usage levels have gone through the roof as more and more consumers are using things such as on-demand TV services. With so much reliance on broadband, having the service disconnected could feel to someone as serious as having their electricity cut off. As providers aren't choosing to be fully transparent about this issue, people need to be savvy when choosing their broadband packages and pay close attention to the small print."

The issue is compounded by the Advertising Standards Authority (ASA). They currently allow providers to describe their services as 'unlimited' even if there is fair usage cap, as long as it is detailed in the small print. However, consumers are none the wiser as over 10 million^[7] broadband customers have never read their fair usage policy and a further 1.8 million^[8] do not know if they have read it or not. These consumers could get a nasty surprise if they inadvertently break the rules and max out their so-called 'unlimited' service.

Fair usage policies are referred to in the terms and conditions of a broadband contract. It is within this small print that broadband companies get away with classing their packages as 'unlimited'. Most 'fair usage policies' generally state that a company has the right to limit a customer's broadband service when usage is 'excessive'. But on closer inspection

few companies actually define the term 'excessive', making it impossible for a broadband user to know the exact point that they will go over the limit.

The devil's in the detail – examples of small print:

- *'very heavy users may have their usage restricted at peak times'*
- *'speed limiting restrictions may be applied within peak hours, or exceeding fair usage policy can lead to suspension of service'*
- *'Extremely heavy users will have bandwidth restricted during peak hours. After 3 email warnings, bandwidth will be managed during peak hours'*
- *'Unlimited during all hours. If usage is deemed detrimental to others, a letter or email will be sent.'*

Tim Wolfenden continues; "The ASA and Ofcom need to take firm action and actually set strict guidelines on the advertising of broadband packages. Broadband policies are confusing enough without customers having to worry if they are going to have their service terminated. It would be great if all providers could follow Sky's lead and remove fair usage policies altogether. In the meantime, broadband companies need to make clear and define these limits that they hide in the small print to make sure customers are fully aware of all the details when they sign up."

If you would like to check your download limit you can use the broadband usage barometer which can be found at www.uswitch.com/broadbandusage/

For more information visit the website www.uswitch.com or call Freephone 0800 093 06 07

- ENDS -

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Notes to editors:

Total sample size of YouGov survey was 11,870 adults. Fieldwork was undertaken between 22nd - 24th January 2008 with analysis conducted in February. The survey was carried out online.

1. According to YouGov research:
 - a. 47% of respondents did not know their download limit. Based on there being 16 million broadband connections (customers) in the UK with broadband this equates to 7.5 million customers.
 - b. According to YouGov research 2008, 39% of respondents believe they have an unlimited broadband service. Based on there being 16 million customers in the UK with broadband this equates to 6.2 million customers
 - c. In total 86% (nine out of ten) of 16 million, 13.7 million broadband users are unaware of limits or do not know what they are.
2. 5% of respondents have had one of the following actions taken by their broadband provider; they contacted me to warn me I was approaching my limit / they contacted me to warn me I

was approaching my limit and limited my service / I was charged extra for exceeding my download limit. Based on their being 16million customers in the UK with broadband this equates to 800,000 customers.

3. Please refer to table below.
 - a. 6 out of 9 (56%) broadband providers advertise as unlimited but do have limits to their broadband usage.
 - b. 2 out of 9 (22%) providers publicise official limits.
4. 26% or over one in four of respondents had read their fair usage policy.
5. Sky Broadband Max removed their fair use policy in September 2008. Please refer to table below.
6. According to Ofcom's telecommunications market data tables – released October 2008
7. 63% of respondents have not read their Fair Usage Policy, based there being 16 million customers in the UK with broadband this equates to 10 million.
8. 11% do not know if that have read their Fair Usage Policy or not, based there being 16 million customers in the UK with broadband this equates to 1.8 million.

| Provider | Monthly Cost † | Minimum contract length | Package | Download cap † | Fair usage policy | Fair usage limit | Fair usage detail now | Fair usage last time | Prepared to cut customers off? | Unlimited advertising removed? |
|--------------|----------------|--------------------------|------------------|---|-------------------|------------------|---|---|--------------------------------|---|
| Tiscali | £6.49* | 12 months | Broadband only | Unlimited | Y | Unspecified | After 3 email warnings, bandwidth will be restricted during peak hours. | After 3 email warning, bandwidth will be lowered within peak hours, possibly halved. | Yes | No |
| Be | £8.00** | 3 months notice required | Be Value | Unlimited | N | Unspecified | Customers generating 'excessive' web traffic will receive a written warning (by email or otherwise) | Customers generating 'excessive' web traffic will receive a written warning (by email or otherwise) | No | No |
| Sky | £10.00*** | 12 months | Sky Max | Unlimited | N | No limit | No usage restrictions | Extremely heavy users will be contacted by email | No | No |
| Virgin Media | £10.00**** | 12 months | Broadband Size M | No download limit (Acceptable usage policy) | Y | Unspecified | Unlimited during all hours. If usage is deemed detrimental to others, a warning letter or email will be sent. | Letter and email sent when downloads exceed approx 40GB. Speed will not be reduced without warning. | Yes | No |
| Toucan | £17.99 | 12 months | 8MB Broadband | No formal download limit | Y | Specified | 2.7 GB download limit per week (during peak hours, 6-11pm, Monday-Sunday). If usage threshold is passed, customers will receive notification by email and will for the next 7 days be separated from other customers and contend for bandwidth with other very high | 1GB download limit during peak hours, 6-11pm, Monday-Sunday. If usage threshold is passed, customers will receive notification by email and will for the next 7 days be separated from other customers and contend for bandwidth with other very high | Yes | The provider has removed their unlimited advertising, however advertisement now includes 'no formal download limit' |

| | | | | | | | | | | |
|----------------|--------------------|------------------|---------------|-----------|---|-------------|---|---|-----|---|
| | | | | | | | users during peak hours. | users during peak hours. | | |
| BT | £18.99***** | 12 months | Option 3 | unlimited | Y | Unspecified | Very heavy users may have their usage restricted at peak times | Very heavy users may have their usage restricted at peak times | No | No |
| AOL | £19.99 | 24 months | Wireless Plus | 40 GB | N | Unspecified | Speed limiting restrictions may be applied within peak hours. | speed limiting restrictions may be applied within peak hours | Yes | Yes - the provider has removed their unlimited plan |
| Plusnet | £19.99 | 1 month | Option 3 | 30 GB | N | Unspecified | Speed limiting restrictions are not applied. If you exceed your usage limit, you are notified by text and email to top up your usage. | N/A | No | N/A |
| Orange | £25.00***** | 18 months | Home Max | Unlimited | Y | Unspecified | Speed limiting restrictions may be applied within peak hours. Exceeding fair usage policy can lead to suspension of service | Speed limiting restrictions may be applied within peak hours. Exceeding fair usage policy can lead to suspension of service | Yes | No |

* 1st three months only, £14.99 thereafter

** Until the end of 2008, then £14 per month

*** You must subscribe to Sky TV to get Sky Broadband

**** 1st 6 months only - £17 thereafter

***** For the first three months only - £24.99 thereafter

***** £10 a month off for Orange Mobile customers. Includes line rental

† Package selected is for the largest download allowance available for each provider. Line rental cost excluded unless otherwise stated.