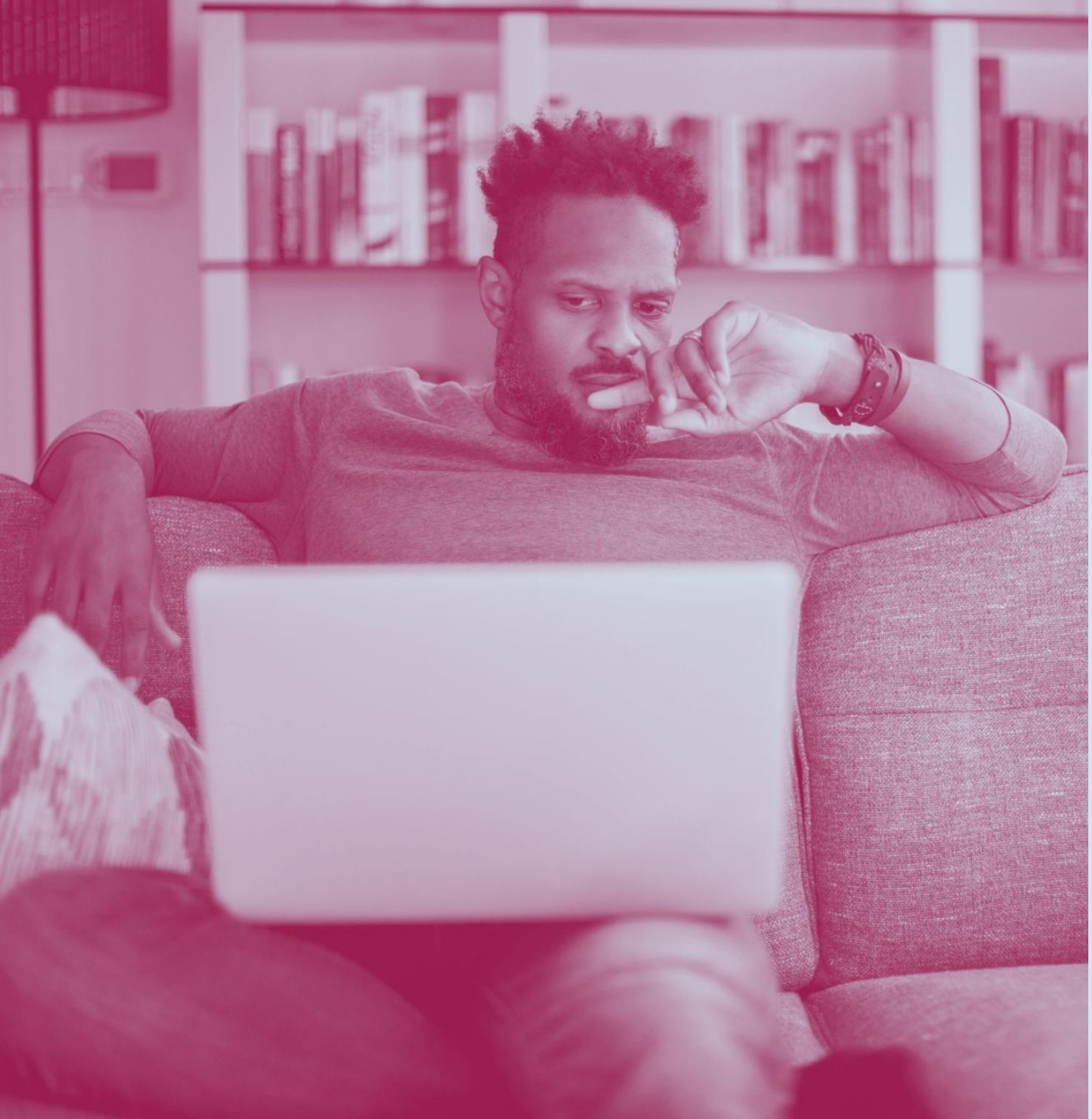


The real cost of hidden deals

By Tess Thompson and Conn Doherty, with contributions from Eva Souchet and Felicia Magdalinski

September 2025

Executive summary

Finding a good deal for your mobile and broadband services isn't always easy or straightforward. Our research from earlier this year raised concerns that many of the best renewal deals are only available to consumers that ring up to negotiate when their contract ends - we call these **'hidden deals'**.

Negotiating at the end of a fixed-term contract is the most popular action consumers take, more common than switching or taking out a new contract with the same provider without negotiating. Even so, Ofcom has focused more on making switching easier as a way of improving consumer outcomes, and not done enough to address problems with the negotiation process.

And those problems are significant. Most telecoms consumers that negotiate on the phone at the end of a contract found at least one step of the process difficult, and most experienced a negative consequence - like stress or worsened mental health - because of the process. These problems were even more pronounced for certain groups of vulnerable consumers, such as those with mental health problems and those experiencing financial difficulty. On top of this, consumers are paying different prices for the same telecoms products or services, which can cost hundreds of pounds extra a year.

This whole process lacks transparency around what prices are available to telecoms consumers. We can break this down into three main **information asymmetries.**

- *Consumer vs provider:* Consumers don't know about all the tariffs their provider can offer.
- *Consumer vs market:* Consumers don't know how much other consumers are paying for the same services.
- *Provider vs provider:* A consumer's current provider knows more about their usage and spend than competitor providers and can offer more tailored deals.

Negotiating for a better deal on mobile or broadband contracts is a difficult and opaque process, and it is not working well for consumers or for healthy competition. We're calling for an **end to hidden deals** and for Ofcom to tackle the information asymmetries in this market to make negotiation unnecessary. They can do this by:

- Making End of Contract Notifications more useful to consumers
- Eliminating difficult processes that make it harder to access good deals
- Publishing more data on how much consumers pay for mobile and broadband
- Using open data in mobile and broadband to improve competition

Key findings

48% of consumers negotiated with their provider (or tried to) when their fixed-term **contract ended**[1] - that equates to almost 16 million people[2]

82% of those who negotiated with their provider on the phone at the end of their last contract took a deal

78% of people who engaged in the process via phone found at least **one step** difficult[3]

66% of people who negotiate on the phone experience at least one negative consequence as a result of the process, such as anxiety, stress, or feeling like they wasted time

18% of consumers with fixed-term contracts took out a **new contract** with their existing provider **without negotiating**[4]

Providers are **meant** to tell you what the **best price** they can offer you is at the end of a fixed term contract.

Negotiating is the most popular action fixed-contract consumers take at end of their telecoms contract[5]. But that doesn't mean it's working well or fairly.

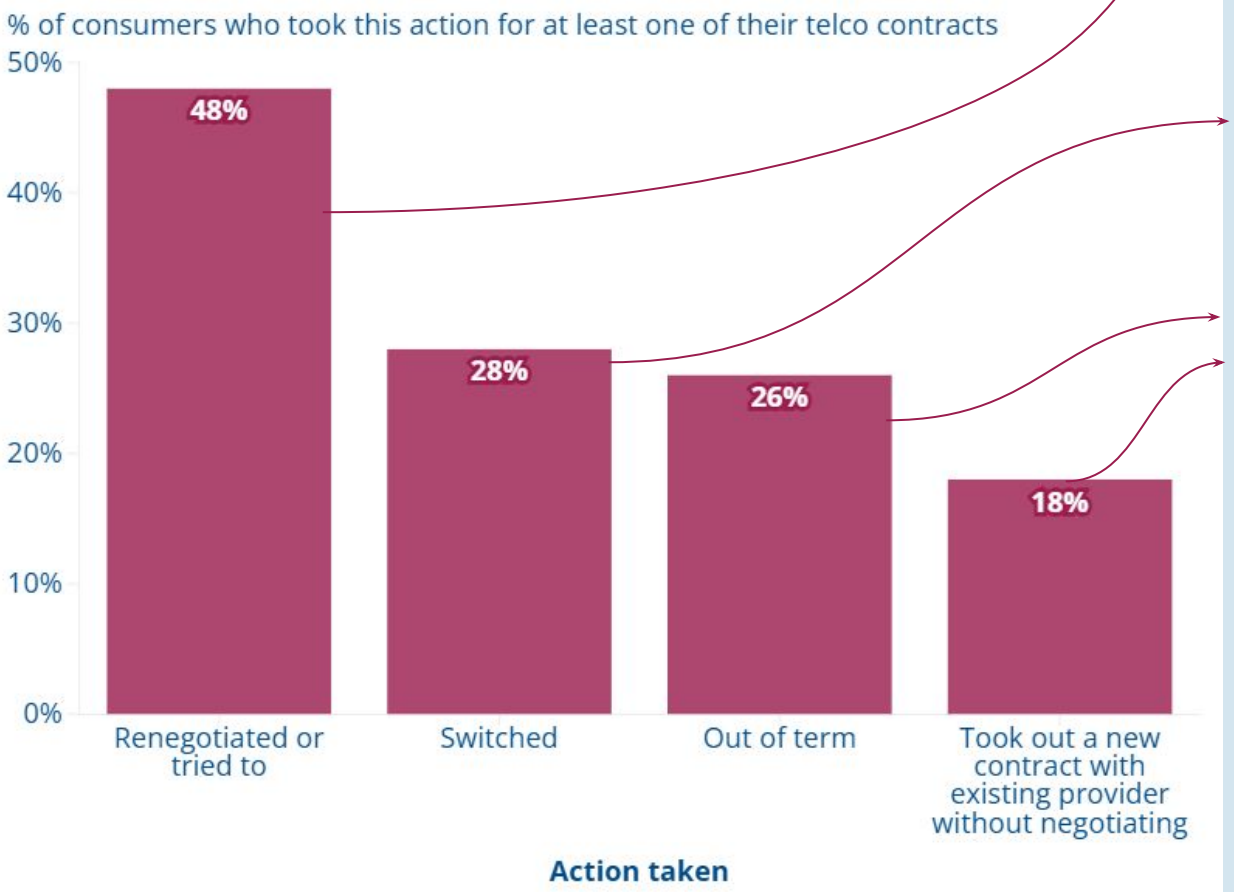
People with **mental health problems** and those **experiencing financial difficulty** are more likely to find the negotiation process difficult[6] and more likely to experience negative consequences as a result of it.

Telecoms consumers are paying different prices for the same thing - we saw **big gaps** between what those in the bottom quartile and top quartile of prices pay for their broadband[7], as much as £252 a year[8].

Negotiation is an opaque process where consumers don't know if the price they're agreeing to is actually good. For the most common broadband contract type (superfast broadband), the **range of prices paid** by negotiators in the top quarter of prices vs the lowest quarter of prices is **wider** than the range paid by switchers[9].

What do people do at the end of a telecoms contract?

Fixed-term contracts are a very common way to pay for telecoms services - **70%** of UK adults **have a fixed term contract for mobile and/or broadband**. What action consumers choose to take at this point, if any, has an impact on the price they end up paying. When looking at how consumers act across the telecoms market, we found:



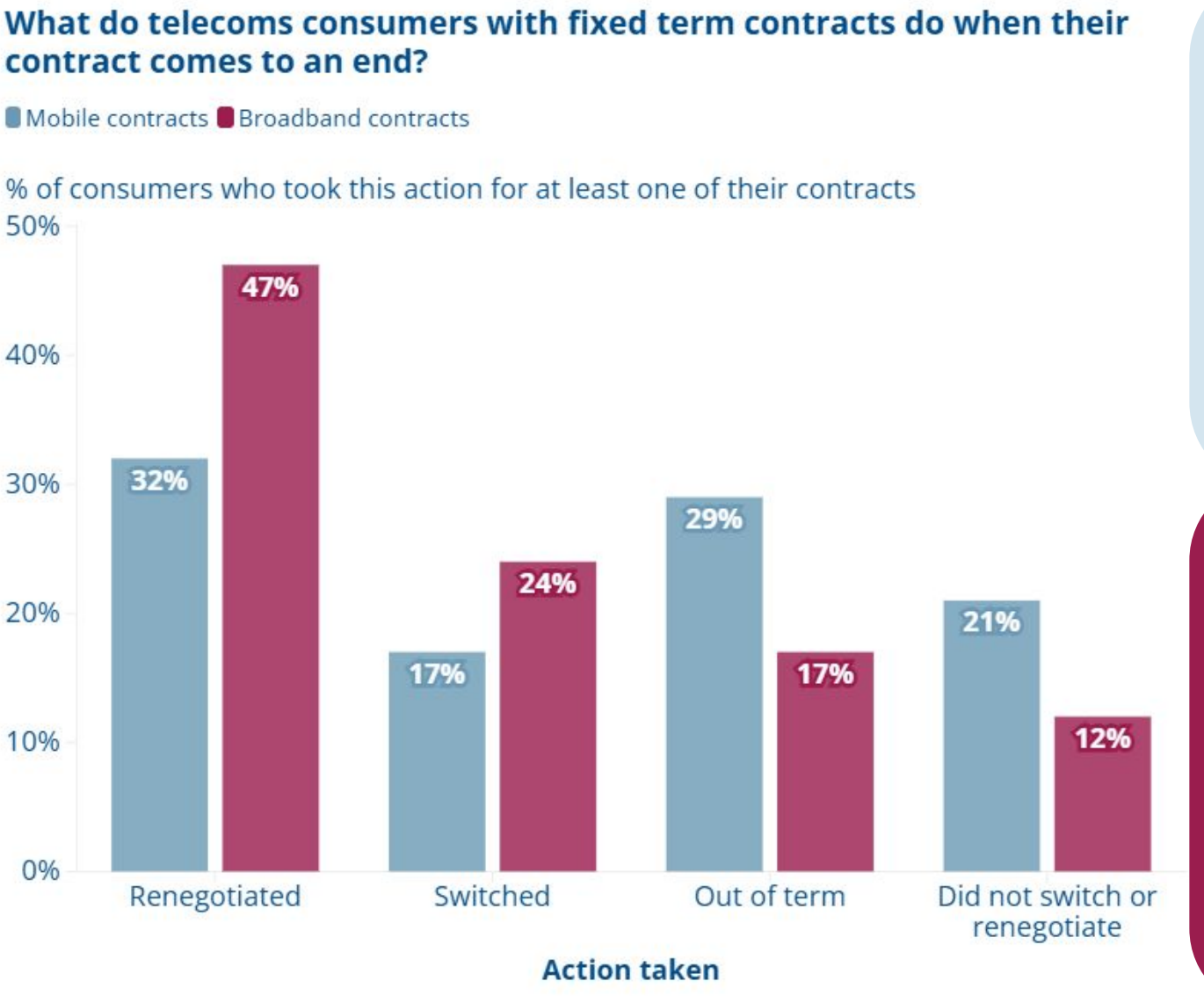
Negotiating at the end of a telecoms contract is the most popular option - **48%** of consumers with fixed term contracts tried to negotiate at least one of their fixed-term contracts[10]. On average, consumers who negotiate for money off their bills can save over **£325 in a year** combined for mobile and broadband[11].

About **a third** of consumers (28%) choose to switch when at least one of their contracts ends[12]. These consumers can save **£200 over a year** by avoiding paying the loyalty penalty[13] - where existing customers are charged more than new customers for the same services.

26% of consumers are out of term on their contract and **18%** take out a new contract with their existing provider without negotiating[14]. These groups won't benefit from a better deal from negotiating, and are at risk of paying the loyalty penalty by not switching.

Negotiators report saving more off their bills than switchers save by avoiding the loyalty penalty, but **that doesn't mean that negotiators are paying less** overall. For broadband bills, negotiators actually pay more than switchers[15]. This highlights how opaque process the negotiation process is - people don't know if the price they agree to is actually the best available.

There are clear differences between mobile and broadband



Consumers are **more likely** to have neither negotiated nor switched at the end of **mobile** contracts than broadband contracts[16]. Mobile contract holders are more likely to be out of contract than broadband contract holders (23% vs 14%)[17] and they're more likely to have taken out a new contract with their existing provider without negotiating (21% vs 12%)[18].

This makes sense for a few reasons. Our research shows that on average, broadband bills are higher than mobile bills[19], so consumers may feel the need to take more action to reduce the cost. Also, the cost of the loyalty penalty is higher in broadband than in mobile - £10.50[20] per month for the former compared to £6.20 per month for the latter[21].

Why negotiate or switch in the first place?

Negotiating with your current provider for a better deal or switching providers at the end of a fixed-term contract are the two options consumers have to avoid paying the loyalty penalty.

In 2018, we published a super complaint which highlighted the impact of the loyalty penalty, but 7 years on millions of UK telecoms consumers are still overpaying. 1.2 million people are paying the loyalty penalty on their mobile contracts and 2 million people on their broadband contracts,[22] adding on average 27-30% to their bills[23].

The **broadband loyalty penalty** equates to 27% bill increase.

The **mobile loyalty penalty** equates to 30% bill increase.

Regulatory action on telecoms pricing

2019: Ofcom announced voluntary measures from mobile and broadband providers to help address the loyalty penalty

2020: Ofcom introduced new rules requiring mobile and broadband companies to send end of contract notifications (ECNs) to consumers between 10 and 40 days before their contract ends. These ECNs must include:

- Information on when the contract ends and the current price the consumers pays
- What the new price will be once the contract ends
- The best other deals the provider can offer

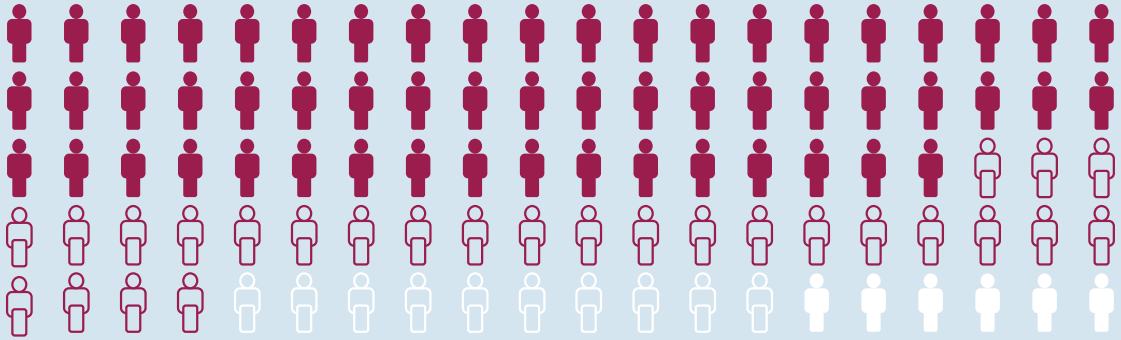
2024: Ofcom introduces the 'One Touch Switch', making it easier for consumers to switch between broadband providers.

Ofcom has taken some steps to address issues in telecoms pricing, largely focused on switching. But negotiating is the most common action taken at the end of a fixed term telecoms contract. This leaves a big gap in Ofcom's regulation of telecoms markets: **hidden deals**, or the lower prices that some consumers can find if they're willing and able to call up to negotiate. These prices are often not available when looking online. The new ECN rules should mean that consumers can easily take out a new, good-value deal with their existing provider at the end of their contract without negotiating. But our research shows that isn't working in practice - consumers are **much more likely** to negotiate than to take out a new deal without negotiating (48% vs 18%).[24]

Outcomes from negotiating

So what does the negotiation process look like in practice?

We estimate that **nearly 16 million** UK adults tried to negotiate with their provider at the end of their last fixed-term contract[25]. Most of those (65%) did so on the phone. **Out of 100 times consumers negotiated on the phone**...[26]



84 resulted in the consumer taking a deal

- **57** of those led to a direct monetary discount, saving on average £12.70 per month on their mobile bills and £14.50 per month on their broadband.
- The other **27** led to a deal to get more for their money in the form of better terms, or better or additional services.

16 resulted in the consumer not taking a deal

- **10** of those led to consumers switching instead.
- But **6** led to consumers neither taking a negotiated deal nor switching. That means they don't end up getting any form of better deal despite trying to engage with their provider.

This means that **8.4 million telecoms consumers** got a deal by negotiating with their provider on the phone at the end of a fixed-term contract[27]. But the popularity of negotiating doesn't mean it's a process consumers actually like or that works well. It's a process full of **sludge**, or design elements which make it harder for consumers to make decisions or get the outcomes they want, and many report experiencing negative consequences as a result of dealing with the process.

Wading through sludge

The negotiation consumer journey is long and involves many steps. **Most consumers** (78%) that negotiate on the phone find at least one step difficult[28].

1. **Finding the energy and motivation to call** - 38% found this difficult
2. **Finding the time to get in touch** - 33% found this difficult
3. **Finding the right contact details** - 30% found this difficult
4. **Ringing up** - 29% found this difficult
5. **Waiting on hold** - 55% found it difficult
6. **Navigating call menus and getting through to the right person** - 43% found this difficult
7. **Speaking with staff** - 34% found this difficult
8. **Negotiating for a better deal** - 40% found this difficult
9. **Saying they'd switch to a different provider if they didn't get a better deal** - 21% found this difficult
10. **Remembering what was agreed at the end of the conversation** - 27% found this difficult

The consumer journey to access a hidden deal is *sludgy*

...because it is full of steps that make it harder and slower for consumers to access a good deal from their provider.

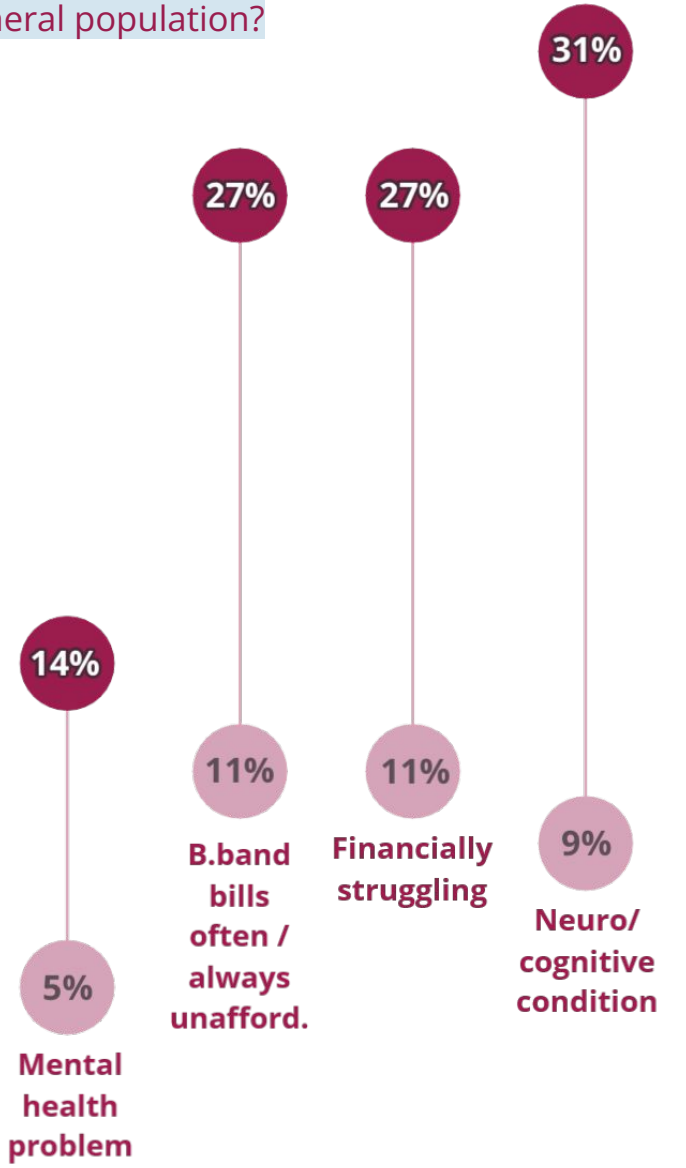
A sludgy consumer journey

The first hurdle to the negotiation process is knowing that it's even an option. **Nearly 1 in 10** (9%) of consumers who don't renegotiate on the phone with their provider said it was because they'd never thought about negotiating[29].

People who do know they can negotiate pass that first hurdle only to encounter a sludgy consumer journey to access hidden deals where the **vast majority of those that negotiate on the phone struggling with at least one step (78%)**[30]. This process puts some people off renegotiating again; of those who renegotiated on the phone in the past but not for their most recent contract, **43%** said it was because they didn't like the process[31].

Many vulnerable consumers are even more likely than the general population to find the steps of the negotiation process difficult. This is true for those who find at least one step of the process difficult, but *even more pronounced* for those who find three or more steps difficult. We analysed this impact on people who have mental health problems and neurological or cognitive conditions, those who are financially struggling, and those whose broadband bills are always or often unaffordable. We found that these groups are **disproportionately more likely** to struggle with more steps of the negotiation process compared to the general population[32]. So not only are vulnerable consumers more likely to find the negotiation consumer journey difficult, but the gap between how they experience the difficulty of the negotiation process compared to the general population grows wider as the sludge accumulates.

How much more likely are certain groups to find **at least one step** or **at least 3 steps** difficult, compared to the general population?



Negative impacts of negotiating

Wading through the negotiation consumer journey might enable consumers to access hidden deals, but worryingly many report negative consequences as a result. **2 in 3** (66%) people who have negotiated with their provider on the phone experienced at least one negative consequence on the back of the process.

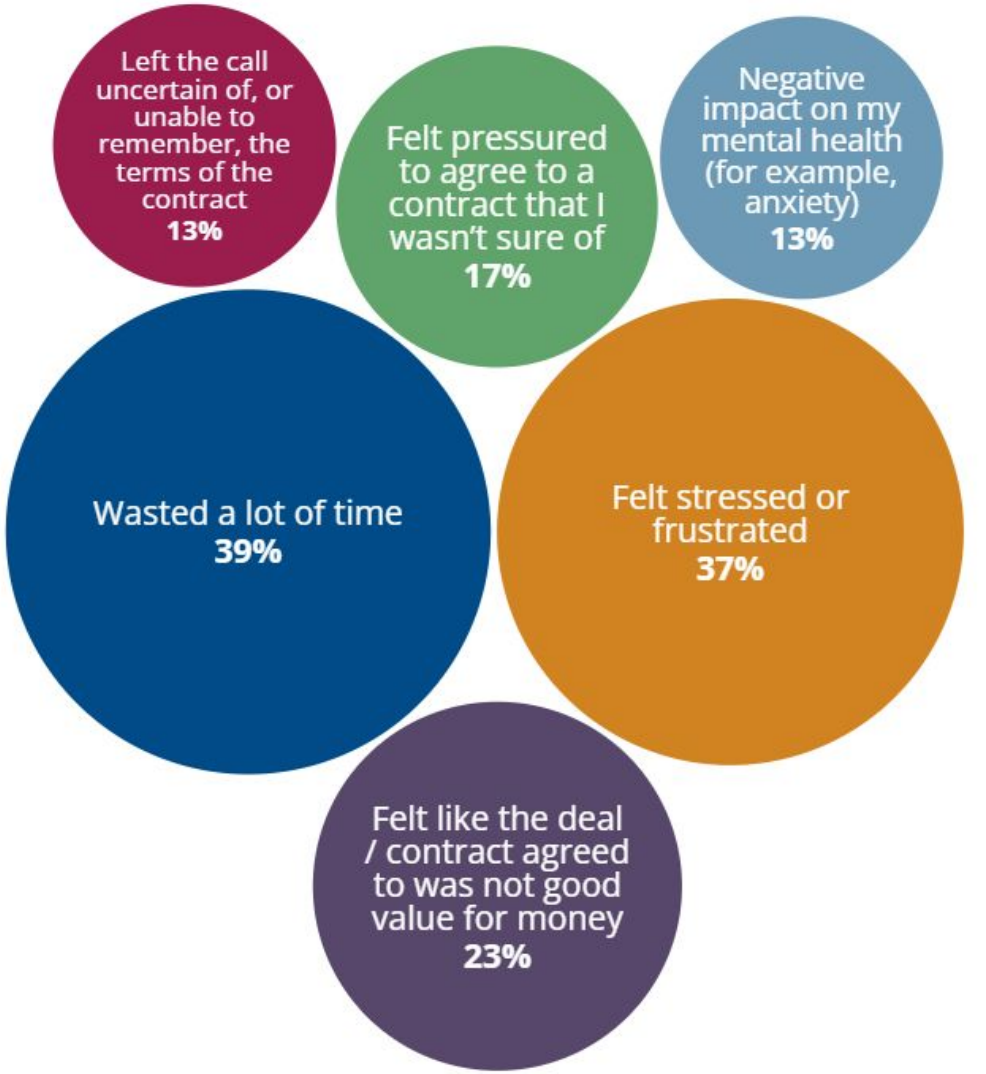
Those same vulnerable groups more likely to find steps of the consumer journey difficult were also more likely to experience one or more negative consequences from navigating the process. Of those who negotiated on the phone, this is true for[33]:

- **73%** of those with mental health problems
- **77%** of those who are experiencing financial difficulty
- **80%** of those with cognitive and neurological disabilities
- **85%** of those who say their broadband costs are often or always unaffordable

And again, these groups of vulnerable consumers were also disproportionately more likely to experience more consequences compared to the general population. People with neurological and cognitive disabilities, for example, were **104% more likely to experience 3 or more consequences** than the general population.

The difficulties and negative consequences consumers experience from negotiating are concerning on their own. But these findings make us worried that the negotiation process is working **particularly poorly for vulnerable consumers.**

Percent of telecoms negotiators who experience each of the following negative consequences as a result



Spotlight on vulnerable consumers

In our research, we were especially worried about the experiences of two groups of vulnerable consumers when haggling - **people with mental health problems** and **people who are experiencing financial difficulty**.

We found that these groups were **more likely** to find the consumer journey difficult and **more likely** to experience negative consequences as a result of the process, compared to those who don't have mental health problems or who are financially comfortable (respectively). However, even though they find it difficult and experience negative consequences as a result, people with mental health problems and those who are experiencing financial difficulty are **just as likely** to take action to get good deals for their mobile and broadband bills.

People with mental health problems who have ever tried to negotiate on the phone...

Almost **half** experience difficulty *finding the energy/motivation to get in touch*, compared to just over a third for those who don't have mental health problems (48% vs 36%)

Are **35% more likely** to find it difficult to *remember what was agreed at the end of the conversation* compared to those who don't have mental health problems (35% vs 26%)

Are almost **three times as likely** to experience a *negative impact on their mental health* compared to those who don't have a mental health problem (30% vs 11%)

People who are experiencing financial difficulty who have ever tried to negotiate on the phone...

Are **71% more likely** to experience difficulty *saying they would switch to another provider* compared to those who are financially comfortable (29% vs 17%)

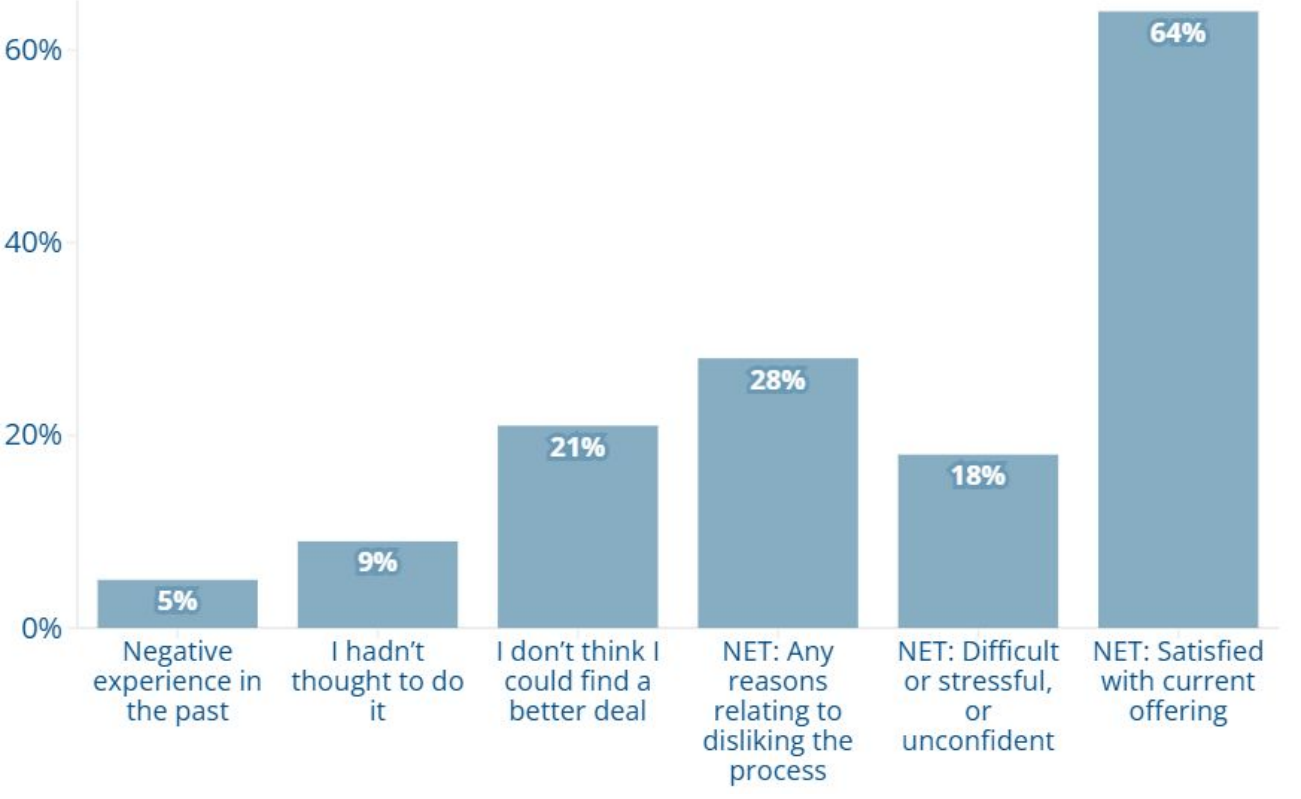
Are nearly **twice as likely** to find it difficult to *remember what was agreed at the end of the conversation* compared to those who are financially comfortable (41% vs 21%)

Are over **two and a half times as likely** to experience a *negative impact on their mental health* compared to those who are financially comfortable (23% vs 9%)

Why don’t consumers just switch?

Given all the problems with the process of negotiating to access hidden deals, it might seem like switching would be the better option for people trying to get a good mobile or broadband deal. But there’s many reasons why people choose not to switch provider - from finding the process difficult or stressful, to being satisfied with the service they currently receive. 1 in 5 (21%) consumers who didn’t switch at the end of their last contract simply **didn’t think they could get a better deal that way**[34].

Why do mobile and broadband consumers choose not to switch providers at the end of a fixed term contract?

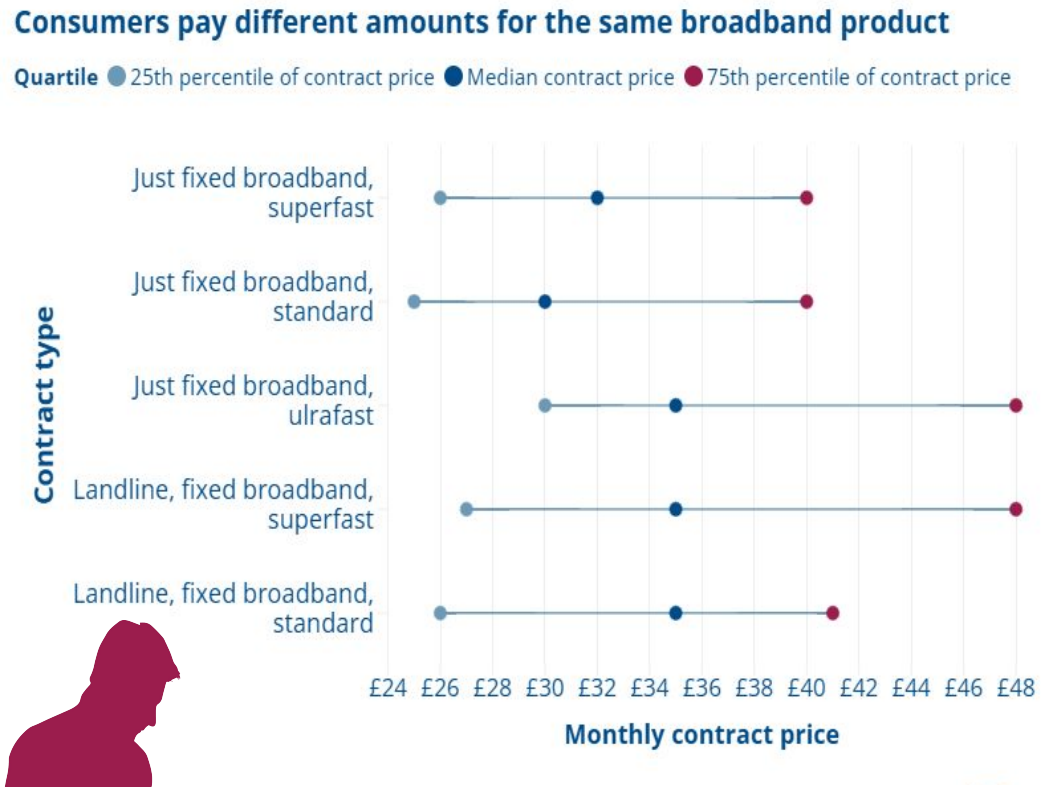


But perhaps more importantly, *that’s not how consumers tend to behave*. More consumers are choosing to negotiate than to switch - 48% vs 28% of telecoms consumers with fixed term contracts respectively[35]. Despite the difficulties with sludge and negative consequences with the experience, renegotiation is still the most common way people avoid paying the loyalty penalty.

Beyond this, there are questions of competition and information asymmetry. An existing provider holds so much data about a consumer and can make a personalised and targeted offer to them in a way competitor firms can’t - they’re not competing based on the same information.

Zooming out - is the telecoms market working well for consumers?

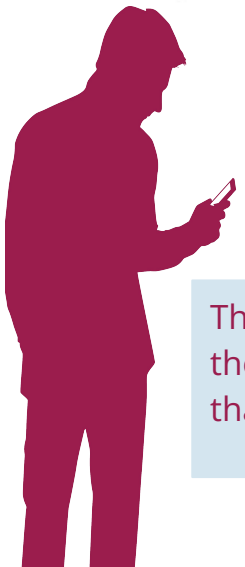
Nearly half (47%) of people think that comparing deals online before purchasing would help get a better price for a fixed term telecoms contract.



But when many of the best prices can only be found by **calling a provider to negotiate**, it's difficult for consumers to get all the information when trying to shop around and price compare. Without knowing how the price they've been offered compares to the full range of prices available in the market or what other people are paying for their contracts, it's much easier for consumers to end up paying wildly different prices for the same telecoms services.

Take the most common broadband contract type, superfast broadband, as an example - consumers in the bottom quarter of contract prices pay £26 per month or less. But those in the top quarter of contract prices pay £40 per month or more. That's a difference of **£168 a year** for the same service.

But we can also see differences within the superfast broadband consumer pool based on what action they took at the end of their last fixed term contract. Switchers are paying less than everyone else for this contract type. In addition, the *spread* of prices paid by negotiators in the 25th vs 75th percentiles of contract prices is **40% wider** than that for switchers (£14 vs £10).



This spread of prices paid underlines the information asymmetry negotiators face when trying to get a better deal with their provider. They don't know if the deal they get is actually the best their provider can offer, and they don't know how that deal compares to what other consumers pay for the same service.

Unequal costs of telecoms services

On top of experiencing additional difficulties and consequences from negotiating, people who are experiencing financial difficulty are also paying on average £5 per month more for their mobile contracts than those who are financially comfortable[36]. That equates to bills that are **36% higher**.

There are many different factors in these consumers' mobile contracts that could lead to differences in the prices they pay:

- People who are financially struggling are more likely to be paying for a handset in their contract - this adds an average of £23 per month to mobile bills.
- They are also likely to have higher data allowances, which could make their bills more expensive.
- But they're also less likely to be paying for any extras on their mobile plan (like international calls and texts or no-charge EU roaming).

The pricing structures for telecoms products and services are complicated. It's difficult for us to know exactly what's causing the differences in what those who are financially struggling vs financially comfortable pay for their mobile bills and if those causes are fair.

We looked into what these two groups pay for comparable mobile contracts in our data and found **statistically significant** differences between the costs of their bills.

Those who are financially struggling on average pay **5% more** than people who are financially comfortable for the same thing

We're concerned that people experiencing financial difficulty may simply be overpaying on their mobile bills. Consumers paying different prices for the same thing in telecoms raises questions on pricing fairness to begin with. But when it leads to people who are already in financial difficulty paying higher prices, that's a clear example of poor outcomes.

Frustratingly, there's no easy way for consumers to know how their contract prices compare to what other people in the market are paying. Comprehensive data on mobile and broadband contract spends isn't readily available. This isn't just a problem for researchers, it's a problem for consumers who want to know if the offer they agree to via negotiation is actually fair in comparison to the wider market.

Key problems with hidden deals

At its heart, hidden deals are a problem of information asymmetries - between the consumer and their provider, between the consumer and the wider market, and between providers. The negotiation process to access these deals is opaque and difficult to navigate, and it isn't working well for consumers. **That's why we're calling for an end to hidden deals.**

Ofcom can achieve this by improving transparency throughout the telecoms market. Doing this effectively **should make negotiation unnecessary to access a good deal for mobile and broadband**.

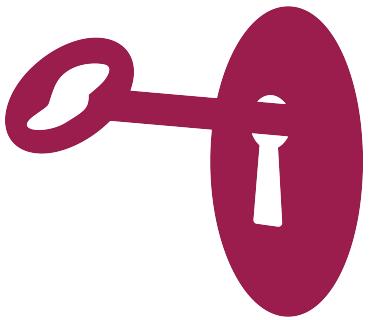
Below are key things Ofcom should consider in order to achieve this, taking each information asymmetry in turn:

1

Providers know more than consumers: consumers have to go through a difficult and time-consuming process to access information

Make ECNs more useful to consumers - Ofcom's rules on ECNs should mean that consumers are sent information on the best deals their current provider can offer at the end of their fixed term contract. And yet, consumers with fixed term contracts are much more likely to negotiate than they are to take out a new deal with their provider without negotiating[37]. This implies that even with ECN rules in place, providers' best deals remain hidden. Ofcom should act to make ECNs more useful to consumers by requiring that the deals they include be providers' **best and final offer** for those products or services. In addition, they should require providers to share information on consumers' usage of the products in their existing package, with the deals they offer **tailored to what consumers actually use**. With this information readily available, consumers shouldn't need to negotiate.

Eliminate sludgy practices that make it harder to access good deals - Accessing information on good deals at the end of a fixed term contract should be a straightforward process. Ofcom should approach this in two ways. First, providers' best deals should be made more easily accessible to consumers, for example through their account on a provider's website or app. If a consumer wants to consider deals beyond those included in their ECN, they should be able to find the best prices without ringing up. Second, some people will still prefer to contact providers on the phone, and Ofcom should also ensure they work with providers to identify and eliminate sludge that makes this process harder to navigate.



2

Consumers struggle to access information about the wider market: people pay different prices for the same thing

Publish more data on how much consumers pay for mobile and broadband - Ofcom publishes comprehensive and accessible data on available prices for different telecoms products and packages, but not nearly as much information on what consumers are actually spending on mobile and broadband.

> Prices and spends tell us different things; knowing available prices doesn't help consumers benchmark their own telecoms costs if they don't know how many other people actually have contracts at those different price points.
>
> This means that consumers currently have no way of knowing how what they spend compares to what others spend for the same products and services.

An essential step in ensuring fair pricing between consumers is for Ofcom to **collect comprehensive spending and demographic data and publish it in an accessible way**, like they do for pricing data, so consumers can assess if the deals they're offered are fair by comparison.

3

Current providers know more than competitor providers: your current provider can make a more targeted offer that other firms can't compete with

Use open data in mobile and broadband to improve competition - Consumers should be able to choose to have their usage data shared with other providers so they can see targeted deals from competitors.

> This approach already exists in open banking, which allows consumers to opt in to share their data in order to receive tailored offers and support. In the telecoms market, this would improve competition between providers as they could compete to offer consumers their best prices based on the same information, which currently isn't the case.

This idea isn't new - Ofcom is already part of the Smart Data Council, which was set up with the goal of using this approach to cut the loyalty penalty for consumers across various markets including broadband. **Ofcom should consider how open data can work best for consumers and for competition**. Their approach should include ensuring prices are tailored based on relevant metrics and that this doesn't lead to further inconsistencies in how much consumers pay for telecoms contracts.

Fair pricing in telecoms

Ending hidden deals and improving pricing transparency are essential to make the telecoms market work better for consumers, but our research raised another important question. **Is personalised pricing compatible with good and fair outcomes for mobile and broadband consumers?**

We've seen that people **pay different amounts for the same telecoms services** and that the negotiation process can make this worse:

The average savings by negotiating are higher than the savings of avoiding the loyalty penalty[38]. But **this doesn't lead to negotiators paying lower prices than switchers**. Negotiators don't know if the deal they agree to is actually good or fair by comparison.

For the most common broadband contract type (superfast broadband), consumers in the top quarter of contract prices pay **£168 more** every year compared to those in the bottom quarter for the same service. For this same contract type, the spread of prices paid by negotiators in the 25th vs 75th percentiles of contract prices is **40% wider** than that for switchers.

Telecoms consumers experiencing financial difficulty are **paying 5% more** than those who are financially comfortable for comparable mobile contracts

This warrants serious further thinking

We're worried that personalised pricing in the telecoms market currently isn't leading to tailored deals specifically suited to consumers' needs and usage, but rather to unfair and inconsistent pricing between consumers. The opacity of the negotiation process may play into these unfair price differences since consumers don't know if the price they pay is actually different than what others pay for the same thing. This is especially concerning if it leads to **worsening of existing inequalities**, like where consumers who are already in serious financial difficulty pay more for their telecoms services.

In order to properly address these questions, DSIT needs to get involved by telling Ofcom to **investigate personalised pricing**. They should explore the scope and impact of the practice to determine if it is compatible with good and fair outcomes for all consumers and for vulnerable consumers specifically. If they find that it's not, they must consider what action is needed to ensure transparent access to fair pricing in mobile and broadband.

Endnotes

1. Base includes those who are currently on a fixed term mobile or broadband contract and previously had a fixed term mobile or broadband contract, or are currently out of term on their current fixed term contracts.
2. See research methodology note 2.
3. Base excludes those that said n/a or don't know across all of the steps.
4. As per endnote 1.
5. As per endnote 1.
6. Base excludes those that said n/a or don't know across all of the steps.
7. Base includes those on pay monthly (fixed-term or rolling) broadband contracts.
8. Difference between the 25th and 75th percentiles of contract price for landline and fixed broadband (superfast) contracts. Base includes those on pay monthly (fixed-term or rolling) broadband contracts.
9. Base includes those whose previous and current broadband contracts are fixed term and gave an answer for their costs. This is checked against people with the same broadband contract.
10. As per endnote 1.
11. Base includes those whose previous and current mobile or broadband contracts are fixed term, negotiated a deal on the phone with a provider and got a monetary savings.
12. As per endnote 1.
13. Base includes those who are out of term on their mobile or broadband fixed-term contract and said their contract price increased at the end of the fixed-term.
14. As per endnote 1.
15. As per endnote 1.
16. Base for this figure and for accompanying graph as per endnote 1.
17. Base includes those on a fixed term contract.
18. As per endnote 1.
19. Base includes those on pay monthly mobile or broadband contracts. Note that broadband bills may be higher as they cover a household’s usage whereas mobile bills may cover an individual’s usage.
20. Base includes those on an out of term fixed broadband contract (excluding bundles with broadband) that said their contract price increased at the end of term.
21. Base includes those on an out of term mobile contract (excluding bundles with broadband) that said their contract price increased at the end of term.

Endnotes

22. See research methodology note 3.
23. As per endnotes 20 and 21.
24. As per endnote 1.
25. See research methodology note 2.
26. This analysis is based on 1,099 respondents who tried to negotiate with their provider by phone at the end of their fixed-term mobile or broadband contract and did not answer 'don't know' about the outcome. In total, 1,251 negotiation attempts are included, as some respondents negotiated for both their mobile and broadband contracts.
27. Grossed up figure is based on the number of people who got any kind of deal from negotiating on the phone (932n respondents).
28. Base excludes those that said n/a or don't know across all of the steps.
29. Base includes those who have never negotiated on the phone with a provider and have had more than one fixed-term contract.
30. Base excludes those that said n/a or don't know across all of the steps.
31. Base also includes those that are out of term on their current fixed term contract.
32. For this figure and the corresponding chart, base excludes those that said n/a or don't know across all of the steps.
33. Base for all references to vulnerable groups on this slide includes those who have negotiated with a mobile or broadband provider over the phone.
34. Base for this figure and corresponding chart includes those whose previous and current mobile or broadband contracts were fixed term and are not out of term, and did not switch providers.
35. Base includes those whose previous and current mobile or broadband contracts were fixed term or are not out of term on their current fixed-term contract. For corresponding graph, base includes those whose previous and current mobile or broadband contracts were fixed term and are not out of term, and did not switch providers.
36. Base includes those with a pay monthly mobile contract.
37. As per endnote 1.
38. Base for loyalty penalty: All with a fixed-term broadband or mobile contract that is out of term and said their contract price increased at the end of the contract. Base for negotiating savings: All whose previous and current mobile or broadband contracts were fixed term, tried to negotiate a deal on the phone and secured a monetary saving.

Research methodology

Citizens Advice commissioned Opinium to survey 6,000 UK adults to find out more about the process of haggling for a better deal with mobile and broadband providers. Fieldwork took place between the 22nd of April and 6th of June 2025.

The survey was disseminated online and 'sample boosts' were used for particular demographic groups (i.e., people with mental health conditions, financial struggles, elderly people, English as a second language). This ensured that enough data were captured for these groups to allow meaningful analysis of their opinions and behaviour.

Survey results were weighted to be nationally representative of the UK adult population (18+) on age and gender, region, social grade, working status, and ethnicity.

Further detail on the methodology behind key statistics is provided below.

1. **All references to 'average' in the report used mean calculations.**

2. **Nearly 16 million people in the UK negotiated with their provider at the end of their last fixed-term contract.**

When calculating that nearly 16 million people in the UK tried to negotiate with their provider at the end of their last mobile or broadband fixed-term contract, we identified the number of adults in the UK using ONS mid-2023 population estimates. The survey asked respondents whether they had tried to negotiate for their current fixed term contract of any type (48%). The base of this question was all those whose previous and current contract was fixed-term and those that were out of term. In a survey of 6000 people 1,725 respondents fit this base and have negotiated in some way, which equates to 15,825,361 UK adults

3. **1.2 million people are paying the mobile loyalty penalty and 2 million people are paying the broadband loyalty penalty.**

From the survey, we calculated the percentage of respondents who hold fixed-term mobile contracts (38%) and broadband contracts (57%), and from there the number of UK adults who hold each of those contract types. The survey identified the percentage of people in each contract type who were out of contract (23% for mobile and 14% for broadband) and of those the percentage who had seen their bills increase after their fixed-term ended (26% for mobile and 45% for broadband). These people we determined were paying the loyalty penalty. We applied these percentages to the number of UK adults holding those contract types and found that 1,219,420 UK adults are paying the mobile loyalty penalty and 1,951,072 UK adults are paying the broadband loyalty penalty. The fixed term mobile contracts exclude bundles where only broadband was part of the bundle. The fixed term broadband contract figures exclude bundles where mobile is part of the bundle.

Research methodology

4. Those who are financially struggling on average pay 5% more than people who are financially comfortable for the same thing.

We grouped consumers into mutually exclusive pay-monthly mobile contract types (same specifications, including extras and data allowance). Within each type we trimmed the top and bottom 5% of prices and analysed only types with more than 50 respondents; this threshold meant all handset contracts were excluded due to small counts. For each type we benchmarked the mean price; each respondent's over/under-payment is £(price − type mean) and % = (price − type mean) / type median. These were averaged by financial group (financially struggling vs financially comfortable).

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