



Office of Utility Regulation

Media Release

Audit of Broadband Services in Guernsey Published

A study carried out by the OUR into the broadband market in Guernsey concludes that more needs to be done to ensure Guernsey users have competitive broadband services. The study found that within the Bailiwick there is a lack of higher speed services compared with other markets and that the cost to business users of broadband is more expensive than comparable markets

“The availability of a reasonably priced broadband service is important for a small island economy such as Guernsey. Promoting the availability of broadband services that meets end-users needs must be a priority” said John Curran, Director General of the OUR. “This report looks to identify what factors impact upon the range and cost of broadband services in Guernsey. The OUR will now look to address these issues with all ISPs to see what further benefits can be gained for consumers”.

The report compares the Bailiwick’s broadband services with those in Jersey, the Isle of Man, the UK, Ireland and Belgium for residential, business and wholesale services. It has looked at the range of services available and the costs and value for money of those services. . The audit also examined the wholesale market for broadband services.

“Broadband has the potential to help the Guernsey economy to grow, to make it easier for businesses to compete and for residential users to get the most from their internet service” said John Curran. “We need to make sure that our communications services are competitive to ensure we continue to attract inward investment and help local companies be more competitive.”

The report “Audit of Broadband Services in Guernsey; Information Note” (OUR 05/14) is available on the OUR website www.regutil.gg or by calling the OUR office on 711120.

Information for Editors

The main findings of the report are:

- The cost of a **basic residential service** offered in Guernsey is generally more expensive than the services in the other jurisdictions, but compared to other small jurisdictions the cost to the end user is similar.
- The **lack of higher bandwidth services** aimed at **residential users** means that it is prohibitively expensive for residential customers to get a service that offers more than 512 kbit/s bandwidth. This issue should be addressed given C&WG's plans to upgrade to a 1Mbit/s service in the near future.
- The costs of **services aimed at business customers** are consistently above the costs in other jurisdictions, including those which are likely to have a similar cost base to Guernsey.
- **Margins** for the ISP element of **residential services are very low**, and appear to show that provision of these services by ISPs is unprofitable.
- **Margins** for the ISP element of **business services are higher** than comparable jurisdictions. These high margins are the result of the high retail prices with wholesale costs in line with those in other jurisdictions.
- The independent ISPs would like to develop distinctive products but at the moment are restricted to offering similar products to C&WG due to the **inflexibility of the wholesale services**.

About the OUR

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers.

More information is available from the OUR website www.regutil.gg, or by contacting the Office of Utility Regulation on 01481 711120.