

# BT Commitments – review of compliance 2024- 2025

For the period 01 April 2024 to 31 March 2025

September 2025

## 1. Introduction

It's now eight years since the implementation of the Commitments. These governance arrangements continue to function as intended, fostering a culture, behaviours, structures, and processes within BT and Openreach that support Openreach's enhanced independence.

During this period, significant progress has been made on Ofcom's DCR outcomes. Over two-thirds of the UK's residential premises now have access to full-fibre networks (20.7 million premises), up 12% compared to a year ago. Openreach's full-fibre network now passes over 18 million premises and is on track to hit its ambition of 25 million premises by the end of 2026. Meanwhile, fibre build by alternative networks continues at pace. At least 70% of UK premises now have access to at least one alternative network to Openreach (up from just over 50% in 2021) and one quarter of UK premises have access to three or more networks, with Ofcom projecting this rising to at least 39% of the UK by January 2028.

As in previous years, BT has monitored our compliance with the Commitments and the extent to which Ofcom's DCR objectives are being met. In 2024, the BT plc board transferred the responsibility for reviewing compliance with the Commitments to the BT Audit and Risk Committee (BARC). This change ensures that all regulatory compliance issues can be considered and addressed by the same board committee, aligning with the way the Openreach Board, Audit and Compliance Committee functions in relation to Commitments oversight. The BARC is supported in this work by the Commitments Assurance (CAO), led by the Commitments Assurance Director. More information on the CAO is available [here](#).

This report summarises our work in monitoring the Commitments in the 2024-2025 financial year.

## 2. The BT Audit and Risk Committee (BARC)

This has been the first full year of BARC responsibility for the Commitments. During the year, the Committee has scrutinised the behaviour of BT Group to ensure it remains focused on living up to both the letter and spirit of the Commitments. The terms of reference for the BARC can be found [here](#).

This year, the BARC has discussed Commitments activity on three occasions. The topics discussed in the year include:

- Amendments to the Commitments Governance Protocol, to increase the number of non-executive directors on the Openreach Board to improve resilience and succession planning;
- Monitoring of Openreach attendance at BT Group's Headquarters at One Braham, to ensure appropriate safeguards to maintain Openreach operational and strategic independence;
- A review of the development and roll-out of the refreshed pan-BT Group strategy, to ensure appropriate management of Commitments risks with respect to Openreach strategy;
- A minor variation to the Commitments regarding BT Group and Openreach systems separation, to ensure the Commitments remain fit for purpose as more systems migrate to the cloud;

- The findings of an internal survey designed to understand the culture of adherence to the Commitments within BT Group and whether the Commitments remain front of mind;
- Steps to increase clarity around HR processes, to ensure appropriate balancing between greater strategic and operational independence for Openreach and ensuring opportunities for talent reviews, performance assessment, growth and succession across BT Group; and
- An ongoing refresh of Commitments training in light of organisational changes, ensuring training needs are identified and responded to quickly, and that high-risk teams and senior individuals are given regular Commitments refresher training.

The BARC's activities were complemented by the activities of the Openreach Board Audit and Risk Compliance Committee (OBARCC), which focuses on Openreach's compliance with the spirit and letter of the Commitments. The OBARCC, supported by the Commitments Monitoring Office (CMO), is producing a report in parallel which focusses on Openreach Commitments compliance, including Openreach's relationship with its customers.

### **3. Commitments monitoring activities**

A key aspect of the CAO's monitoring activities is looking at how the Openreach Governance Model operates in practice. The Commitments seek to strike a balance between Openreach's greater independence (which in turn provides comfort that Openreach will treat all its customers equally) while ensuring that BT can meet its parent company responsibilities, in particular given the substantial investments that BT is making in Openreach.

#### **4.1 Operation of key processes**

We monitor the following processes particularly closely:

1. strategy development,
2. financial planning (to set Openreach's Annual Operating Plan (AOP) and Medium-Term Plan (MTP)) and
3. the agreement of Openreach's commercial propositions.

These processes form the backbone of the governance framework established by the Commitments. They ensure that Openreach can independently determine its strategy while considering the BT Group Strategic Framework, and that BT remains dedicated to funding Openreach's strategic and commercial goals within the broader BT Group.

Throughout the year, we have actively monitored key processes and interactions, with no concerns identified. Having operated for several cycles, both BT and Openreach personnel are well-acquainted with these processes and uphold the critical anchor points within each. The role of the Openreach Board, a key compliance control, is respected and appropriately involved. There is a clear protocol for escalating matters from the Openreach Board to either the BT Group Board or the BT CEO.

The CAO has attended several BT Investment Board meetings that evaluated Openreach investment cases or corporate unit cases where Openreach components beyond the previously agreed MTP were discussed. We have also monitored the operation of the Commercial Processes Guidance Note. Between 1 April 2024 and 30 March 2025, Openreach approved a total of 104 papers with 3 items sent to BT for Decision. In all cases, processes continue to be well embedded and operate well.

#### **4.2 Openreach Governance Changes**

In January 2025, BT and Openreach implemented amendments to the Governance Protocol of the Commitments to allow greater flexibility in the number of independent directors appointed to the Openreach Board, to facilitate handovers as board members change.

The updated Governance Protocol document can be found [here](#).

#### **4.3 BT Organisational Changes**

The past year saw several important changes to our Board, including Tushar Morzaria and Rima Qureshi joining as Independent Non-Executive Directors in May 2024 and March 2025 respectively, and Sir Alex Chisholm being appointed as our dedicated Non-Executive Director for Ofcom engagement in September 2024. Isabel Hudson stepped down from the Board in July 2024.

Tom Meakin joined BT Group in the newly created role of Chief Strategy & Change Officer, Claire Gillies was appointed as the new CEO of BT Consumer, and Jon James as the new CEO of BT Business.

Tailored Commitments training was provided as part of the induction process to each of these individuals.

#### **4.4 Monitoring of key BT supplier and customer relationships with Openreach**

In line with the Commitments, BT Group operates in a supplier function to Openreach, for example in respect to billing, finance, regulatory, legal, HR, Digital, Networks and others. As part of our assurance work, we review supplier arrangements to ensure that they are working as the Commitments intended, with appropriate separation of personnel and other safeguards such as information barriers, to ensure that these relationships (i) support Openreach's greater strategic independence and (ii) maintain appropriate protections around Openreach CI and CCI shared to provide those services. No concerns have been raised in 2024-2025.

BT Group's customer-facing units, specifically BT Consumer and BT Business, engage with Openreach in a customer capacity. Regular monitoring of the relationships between Openreach and the customer-facing units has been conducted and (outside of the specific breaches investigated and summarised below) no concerns have been identified.

#### 4.6 Broader monitoring activity

Outside of the areas above, the CAO continues to track potential areas of concern and target assurance activity accordingly. In the past year, we have conducted monitoring and assurance activity in the following areas:

- **Refreshed BT Group Strategy.** The BT Strategy Refresh was initiated in 2024 by BT CEO Allison Kirkby with the aim to develop a refreshed pan-BT Group strategic narrative. The CAO evaluated the consistency of the project with the Commitments, concluding that there were no Commitments issues to highlight and that the project had fully respected Openreach’s strategic independence.
- **Review of HR processes;** The culture survey of 2023/24 revealed an opportunity to provide further clarity and guidance on HR processes, including appropriate balancing between greater strategic and operational independence for Openreach whilst ensuring opportunities for talent reviews, performance assessment, growth and succession across BT Group. The CAO worked with the CMO to collate Commitments guidance on issues raised.
- **Building Closure programme.** The building closure programme is part of BT’s ‘Simpler Networks’ programme, which covers a range of product migrations and networks closures. The programme requires careful management from a Commitments perspective, given the significant interaction and coordination required between BT Group (as owner of the exchange leases and the overall strategy for rationalising the property portfolio) and Openreach (responsible for managing exchange exit for regulated products, including engagement with its CP customers). The CAO’s review concluded that bespoke governance arrangements implemented at the outset of the programme continue to work well to ensure Openreach’s strategic independence and manage appropriate sharing of Openreach Customer Confidential Information (CCI) and/or Commercial Information (CI).

## 4. Commitments Compliance

Our approach to compliance monitoring is risk-based, focussing on areas which could have the greatest impact on the governance framework or intended DCR outcomes if not operated compliantly. As in previous years, breach cases remain low, both in number and nature. That said, we recognise that breach and non-conformance cases provide a narrow view of Commitments compliance issues, and that other monitoring activities and stakeholder engagement provide a richer source of insight into how BT is living up to its Commitments more generally.

## 5.1 Information Management

The Communication Regulation Compliance (CRC) team keeps the BARC updated on the management of Openreach Commercial Information (CI) and Openreach Customer Confidential Information (CCI).

## 5.2 Enhanced Compliance Controls

Following the CRC implementation of improvements last year to the governance of the information sharing control and enhanced second line assurance and monitoring, the effectiveness of the controls is being monitored through CRC's annual assurance and monitoring plans and reported to the CAO on a quarterly basis through its disclosure reports.

The Commitments controls in place to manage Openreach Strategic Independence are embedded within the BT Group strategic risk framework and are effectively monitored through these processes.

## 5.3 Complaints

The BARC continues to maintain the BTCC's open-door policy for receiving complaints from CPs and other stakeholders. Consistent with previous years, the CAO did not receive any formal complaints during this period. This ongoing trend underscores the effectiveness of our processes and the satisfaction of our stakeholders.

## 5.4 Cases Decided: Breaches and Non-Conformance with Process

The BARC will review instances in which there has been a suspected breach of the Commitments. It will also be informed of non-conformances with policy, where there has been no breach of the letter of the Commitments but where policies established to ensure compliance with the Commitments have not been followed.

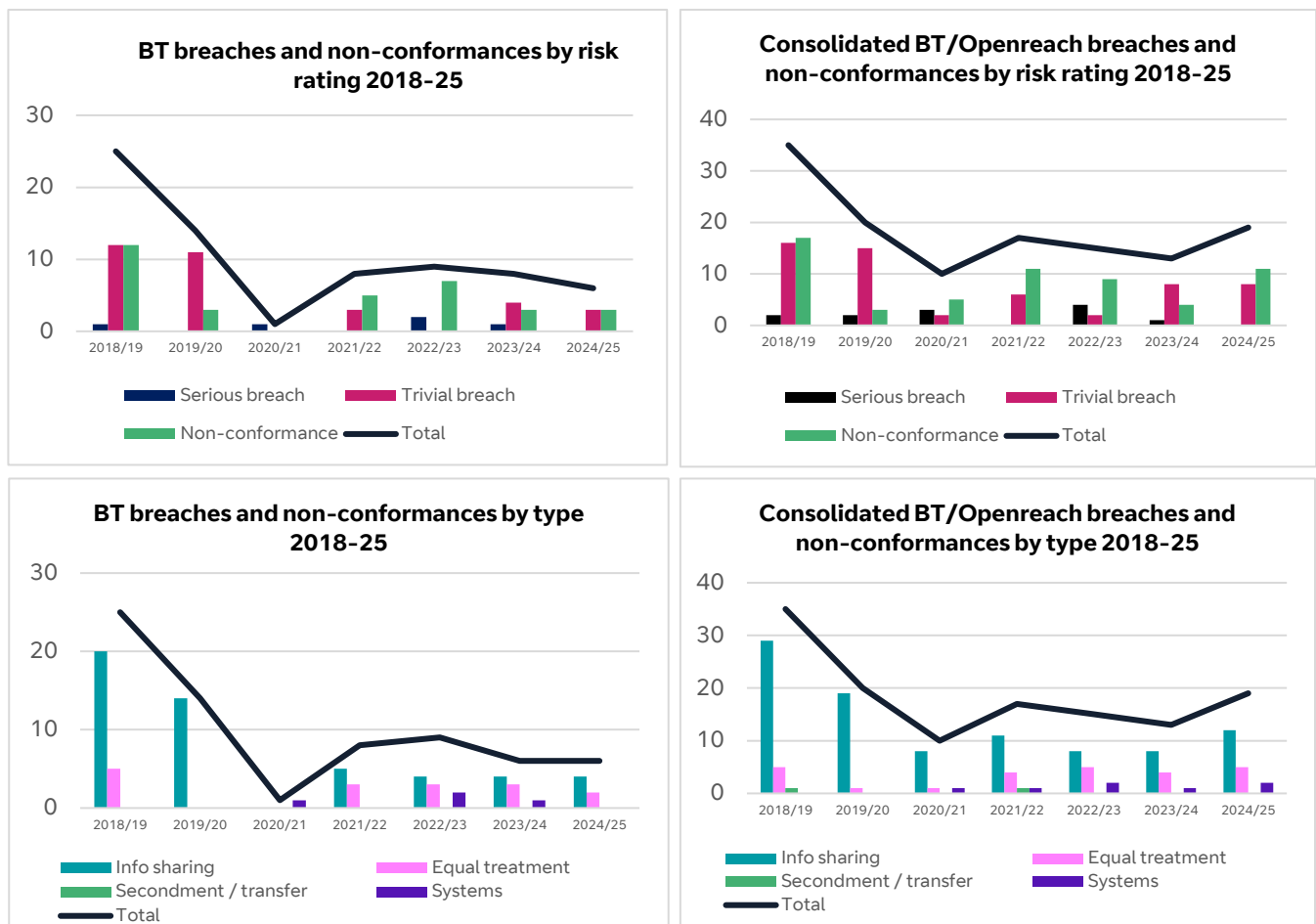
Three potential breach cases were referred to the BARC in 2024-2025, all of which related to inadvertent information sharing and which were found to be trivial breaches. There were also three findings of non-conformance.

The following provides a summary of the three trivial breach cases decided in 2024-2025.

Type	Nature of Breach	Actions Taken
CAO-50 Sharing of Openreach CI with Consumer	A Digital Transformation Director sent and immediately recalled an email containing Openreach Commercial Information (CI) to a number of senior colleagues. The Openreach CI consisted of detailed financial impacts of proposed changes to timelines and plans, All-IP customer migration timescales not in the public domain and activities relating to Openreach CPs and their customers.  This was decided as a <b>trivial breach</b> .	The email was successfully recalled immediately by the sender. All individuals confirmed they had not received or opened the email containing the Openreach CI.  When the Digital Transformation Director contacted the CRC Specialist to report the issue, the Specialist reminded them of the Commitments requirements and how to mitigate the risks of inadvertently sending Openreach information.

<p>CAO-51</p> <p>Sharing of Openreach CCI</p>	<p>A Physical Security Operations Director sent an email containing Openreach Customer Confidential Information (CCI) to members of the BT Executive Committee (Exco), which included the CEO of Consumer and the CEO of Business. The email was an executive summary of an ongoing physical security incident. The Openreach CCI contained volumes of Openreach customers with impacted service and a breakdown of third-party Communications Providers (CPs) and their reports of affected service.</p> <p>This was decided as a <b>trivial breach</b>.</p>	<p>The issue was raised and investigated quickly, which prevented any further updates with the breakdown of affected services being sent to the original audience.</p> <p>The office for the Consumer CEO confirmed that the email had been deleted and was not forwarded. The office for the Business CEO could find no evidence of the email.</p> <p>Commitments requirements were reinforced and further guidance provided on the considerations before sending executive summaries in future.</p> <p>A review was conducted of the physical security incident response processes and an action plan initiated.</p> <p>Alignment of existing Incident Management frameworks from the well-established Major Incident Management (MIM) teams, with a view to add Physical Security infrastructure related incidents into the MIM processes. CRC will conduct a specialist review to give confidence that it effectively mitigates the risks to Our Commitments.</p>
<p>CAO-52</p> <p>Sharing of Openreach CI</p>	<p>An Economics Director sent an email with an attachment containing Openreach Commercial Information (CI) to members of BT Regulatory Affairs, copying in a Commercial Management Manager from BT Business. The document, which was clearly marked as 'Contains Openreach CI – Parent Marker only' contained high-level information relation to Openreach's proposed response to the Telecoms Access Review.</p> <p>This was decided as a <b>trivial breach</b>.</p>	<p>The Economics Director took swift action to ensure the recipients of the email deleted the email and confirmed that the Business Commercial Management Manager had not seen the content.</p>

The OBARCC report provides consolidated reporting on the number and nature of Openreach and BT Group breach and non-conformance cases between 2018 and 2025. Analysis of these cases confirms that breaches are predominantly trivial in nature, with the majority involving inadvertent information sharing, process failures, or system access issues. The data shows a general decline in breach and non-conformance cases since 2018, with no evidence of systemic failures or deliberate misconduct.



## 5. Looking forward to 2025/26

The BARC will continue its monitoring to ensure that BT adheres to the Commitments both in letter and spirit and evaluating the extent to which the outcomes delivered by BT and Openreach align with stakeholder expectations.

In addition to our standard monitoring activities, we plan to focus on the following areas in the upcoming year:

- **Culture and Relationships:** Conduct a repeat of the 2023 culture survey, to assess progress and identify areas for improvement.
- **Review of All-IP Programme:** Similar to that undertaken with respect to the Building Closures programme, undertake a review to ensure robust governance and effective implementation of other controls to manage Commitments-related risks with the All-IP programme.
- **Training Review:** Evaluate the effectiveness of Commitments training programs to ensure they meet the evolving needs of our workforce.