

## Consultation Response

**Which? response to Ofcom's consultation on exploring what impact the adoption of AI could have on the experience of telecoms customers.**

**Submission date: 10/03/26**

### Executive summary

This document is a consultation response to [Ofcom's research project](#) examining the impact of Artificial Intelligence (AI) on the experience of telecoms customers in the UK. It is divided into three sections, a summary of each section follows.

#### Current adoption: opportunities and risks

- **Current adoption:** Consumer-facing AI is currently deployed in two main ways within the UK telecoms market: **assisting call-centre agents** and powering **customer-facing chatbots** (e.g., [EE's AIMEE](#), [Vodafone's tobi](#)). It is possible that telecom providers are using AI for other consumer-facing use cases, such as automation of marketing campaigns. However, we do not examine this in depth.
- **Opportunities:** Customer service chatbots may provide a route for customers to resolve issues without having to contact their provider via a phone call.
- **Risks:** AI chatbots may face limitations when applied to customer service, such as their capacity to interpret customer messages accurately, or provide accurate and relevant information. Increased reliance on AI chatbots could lead communication providers to reduce human-centred customer service resourcing, which could adversely impact vulnerable consumers or any consumer that does not feel confident using digital technologies.

#### Future developments: opportunities and risks

The future adoption of AI presents both opportunities and risks for the UK telecoms customers.

- **Future adoption:** future adoption of AI in the UK telecoms market could result in greater levels of personalisation and uses of agentic AI.
- **Opportunities: Personalisation** could create benefits for consumers by presenting more relevant products and services to customers. **Personalised pricing** could also be used to benefit customers if customers are offered better value services aligned with their usage needs. Similarly, **Agentic AI**—autonomous systems acting on behalf of customers—could mitigate customer inertia and high switching costs by

automatically finding better deals for customers as well as automating complex requests.

- **Risks:** However, increased personalisation, specifically **personalised pricing**, could result in fairness issues which could have disproportionate impacts on vulnerable consumers. Although telecoms companies do use some forms of automated personalisation, we are not currently aware of personalised pricing being applied consistently within telecoms markets. **Agentic misalignment**, where an AI agent's actions diverge from a customer's true preferences (e.g., choosing a good value package but with poor contract flexibility) poses possible future risks for the telecoms markets unless mitigations are developed.

## The adequacy of Ofcom's rules

We recommend that Ofcom ensures **regulatory collaboration** by working with the ICO and CMA to address overlapping regulatory issues that arise from the use of AI in the telecoms sector. This may include issues related to consumer protection, data protection.

We also recommend that Ofcom follow the example of the CMA and their recently published [guidance on complying with consumer law when using AI agents](#) by issuing **guidance for telecom providers** relating to the deployment of AI agents within telecoms markets.

With particular reference to [Ofcom's General Conditions](#), we recommend:

- **General Condition C2 (Transparency):** covers information and transparency requirements for telecoms providers. It is important that providers are transparent with customers about the use of AI on their platforms and notify them when they are interacting with an LLM.
- **General Condition C4 (Complaints):** Ofcom must ensure its obligations for providers to maintain multiple customer communication channels continues to be adhered to. Customer service chatbots, when in use, must clearly notify customers how to escalate their issue to a human representative if necessary.
- **General Condition C5 (Vulnerable Customers):** Providers must ensure the design of any AI chatbot is accessible and user-friendly to all consumers, including vulnerable consumers and those who may not be confident using digital technology. Furthermore, providers should incorporate the steps they take to make the chatbot accessible into their vulnerability policies.

## Full response

### Definitions

In this submission we use terms such as 'Artificial Intelligence (AI)', 'Generative AI', 'Large Language Model (LLM)' and 'foundation model' with reference to the [Data Science and AI Glossary](#) from the Alan Turing Institute. These are defined as follows:

- [Artificial Intelligence \(AI\)](#): The design and study of machines that can perform tasks that would previously have required human (or other biological) brainpower to accomplish.
- [Foundation Model](#): A machine learning model trained on a vast amount of data so that it can be easily adapted for a wide range of applications. A common type of foundation model is large language models, which power chatbots such as ChatGPT.
- [Generative AI](#) (Gen AI): An artificial intelligence system that generates text, images, audio, video or other media in response to user prompts. It uses machine learning techniques to create new data that has similar characteristics to the data it was trained on resulting in outputs that are often indistinguishable from human-created media.
- [Large Language Models](#) (LLMs): A type of foundation model that is trained on a vast amount of textual data in order to carry out language-related tasks. Large language models power the new generation of chatbots, and can generate text that is indistinguishable from human-written text.
- [Machine learning](#): A field of artificial intelligence involving computer algorithms that can ‘learn’ by finding patterns in sample data.

This submission also refers to ‘Agentic AI’. The [Government Digital Service](#) says that: “Agentic AI refers to AI systems composed of agents that can behave and interact autonomously in order to achieve their objectives. By providing reasoning and discovery abilities, Large Language Models (LLMs) enhance an agent’s autonomy. This enables the agent to determine the most appropriate course of action to meet system objectives.”

Q1: How are AI tools being deployed and adopted across the telecoms value chain, and how are those tools affecting the experience of business and residential customers, throughout the customer journey, both today and in the future?

### Adoption of AI in UK telecoms markets across the value chain

In the UK telecoms market, a common use of consumer-facing AI is for customer-service applications. This section will focus on how providers are currently deploying AI-enabled services to customers and how this may impact the customer experience. Although there is some use of AI for personalisation at present in the market, we primarily focus on this in relation to Question 2 of our response. This is because automated personalisation in telecoms appears to be at a relatively early stage: existing use cases employ machine learning algorithms which are not wholly new in the market. There may, however, be scope for greater automated personalisation in the market, which presents opportunities for customers but also risks in relation to personalised pricing. It is possible that telecom providers are using AI for customer communications and for the deployment of marketing campaigns. However, we do not examine this in depth as we do not have sufficient information on the proliferation and effectiveness of this use-case within telecoms markets at this time.

Independent research on the use of AI tools by UK telecoms providers is limited. However, a 2026 [survey](#) published by Nvidia claims that telecoms providers globally are implementing AI for Network Automation (54%), Customer Service and Experience Optimisation (46%) and Internal Process Optimisations (31%) as the three top use cases. In this submission, the second category, relating to customer service and experience optimisation, is of primary interest due to the scope of Ofcom's inquiry into consumer facing AI applications.

A common existing use-case in telcoms is for AI assistants to prompt call-centre agents as they talk with customers over the phone. In this scenario, customers are not interacting with generative AI directly, but AI tools are used to prompt the responses and resolution pathways provided by call-centre agents. [BT/EE](#), [Talk Talk](#) and [VMO2](#) are among the major providers who are using AI technologies in this way. Additionally, [VMO2](#) has used AI assistants to triage customer voice calls using natural language processing to direct customers to the most appropriate department or resolution team.

Another prominent customer-facing use case are chatbots that use AI technology to assist customers with issues or complaints. Customer service chatbots are not wholly new for [telecoms consumers](#), but recent advances in the capabilities of large language models (LLMs) has increased the possibility of automating greater levels of customer service support. Among the most prominent of the next-generation AI chatbots are [AIMEE](#) from EE and [tobi](#) from Vodafone. Both use generative AI that goes beyond the static, rule-based architecture of previous generations of customer service chatbots.

### **Impact on consumers' experience through the customer journey**

A notable use of AI in the telecoms customer journey is in the deployment of customer service chatbots. According to [BT](#), the AI chatbot, AIMEE, responds to approximately 60,000 customer conversations each week and has a successful resolution rate of approximately [50%](#). Although it has yet to launch in the UK, an upgraded version of Vodafone's tobi chatbot has reported a first time resolution rate of approximately [60%](#). These reported resolution rates are impressive considering that aggregate [first time resolution](#) rates across all communication channels, including digital, were on average 44% for BT and 54% for Vodafone in 2024. This is notable as the latter figures are primarily based<sup>1</sup> on customers contacting their provider via [phone call](#), thus facilitated through speaking to a human representative rather than a chatbot.

From this, it seems that AI chatbots may provide broadly similar resolution outcomes for consumers as human customer-service agents. However, since the cited chatbot resolution and human resolution figures are drawn from different data sources measuring slightly different things, they should be interpreted with caution.

Yet it is also evident that these tools have [limitations](#). Due to the propensity of Gen AI chatbots to hallucinate (i.e. present false information) or misinterpret queries, it is understandable for communication providers to make design choices that limit or constrain

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<sup>1</sup> [Ofcom](#) Comparing Customer Service Report (2025) reports that a phone call was the main way for customers to contact their mobile (78%) or broadband providers (86%).

the types of responses they will provide. This could mean that although AI chatbots may be able to resolve customer queries in some instances, they may not be reliable and this can lead to frustration and wasted time for customers. For example, if a customer asks the AIMEE chatbot "what type of broadband do I have?" the chatbot responds with a question about whether the customer was looking to upgrade their package or take out a new one, indicating it had not correctly identified a relevant resolution pathway.

Although the potential for customer service chatbots in telecoms is evident, they are not the preferred contact option for all customers. The 2025 UK Consumers and AI report from [Intel](#) finds that 82% of consumers prefer to speak to a human customer service representative rather than an AI chatbot. A follow up question indicates that a majority of consumers (50%) don't think that advice from an AI is as valuable as human advice, compared to only 31% who see advice from both sources as valuable.

In addition, chatbots may not be adopted by customers who are vulnerable, facing digital exclusion, or have low levels of digital literacy. However, vulnerable customers may also be happy to interact with a chatbot; and conversely customers who do not identify as vulnerable may still prefer to not use one. As such, it is important that customers have a range of options to contact their provider in line with their preferences. When customers do interact with a chatbot, clear notifications must be provided outlining the process for escalating their issue to a human agent. Providers must also ensure the design of any AI chatbot is intuitive, including by those who may not be confident using digital technology. Furthermore, providers should incorporate the steps they take to make the chatbot accessible into their vulnerability policies.

## Q2: What opportunities and risks for telecoms customers from the adoption of AI tools and their growing capability

Areas where we see the potential for future developments include greater levels of **personalisation** and the deployment of **agentic AI** in telecoms consumer markets. Although both personalisation and agentic AI could benefit consumers, there are also risks in relation to their deployment, particularly with respect to vulnerable consumers.

## Opportunities

Uses-cases such as [AI-powered call assistants](#) integrated into mobile networks or automatic [personalised offer](#) notifications are among the developing use cases for telecoms consumers that we may see wider adoption in the future.

Automated personalisation can assist customers in narrowing down options and reducing psychological and cognitive burdens associated with searching. Searching costs can be higher for consumers in sectors like telecoms where terminology may appear technical or confusing. These costs may be higher for some groups of consumers relative to others; for example, [research](#) looking at understanding of broadband options in the market found that generally men reported greater confidence in understanding broadband options than women and younger people expressed greater confidence than older people.

Some degree of automated personalisation is already in use within the telecoms sector. Machine learning can be used to provide personalised offers to customers when they login to a provider's app or visit their website. Evidence of this can be seen from companies using 'Next best Action' engines such as [EE](#) to provide automated and personalised information to customers. However, evidence of automated personalisation using generative AI to assist customers is less common, and could be a growth area for providers in the future. Forms of AI enabled personalisation could conceivably be applied at the point customers are searching for deals and using tools like price comparison sites or browsing provider websites.

It is also possible that in the future, AI agents could act on behalf of customers and overcome barriers such as customer inertia and high switching and searching costs. Future developments could see the rise of ['Agentic Commerce'](#) as the ICO has outlined in a recent report which could help to overcome inertia and friction within markets like telecoms.

As the CMA notes in its recent [guidance](#) on complying with consumer law while using AI agents, AI agents can have beneficial use cases for consumers such as recommending products, handling customer queries, managing marketing campaigns and processing refunds. Although it is possible that existing AI solutions can already largely automate some of these functions, processing refunds does not appear possible within existing AI customer chatbots. Instead, when customers visit a provider website to raise a billing request, they are likely directed to a [page](#) to call a customer service representative over the phone. As such, if AI agents would be able to handle refund requests autonomously, this could represent a more convenient option for customers.

## Risks

Future applications of AI have the potential to magnify existing trends within the telecoms market.

AI-driven personalisation can be seen as problematic if it activates consumers to pay more than they would have otherwise. Although we do not yet see evidence of AI-enabled personalised pricing being used in telecoms markets, we identify it as a possible future risk.

Previous Ofcom [research](#) found that consumers have strong feelings about the fairness of personalised pricing. Personalised pricing may already exist to some extent, either by virtue of geography or through introductory or retention based discounts. However, a potential risk of greater AI integration is the complete automation of customer pricing processes. The [Data Use and Access Act](#) creates a more permissive framework for automated decision making, provided that a decision does not involve the processing of sensitive or ‘special category’ data. In isolation, a more permissive framework is not necessarily bad for consumers, but it could also create an environment where communication providers feel emboldened to tailor their pricing to a much greater extent. This could be a risk if AI systems are used to predict a customer's propensity to pay and customers end up paying more for services than they otherwise would. This would be especially concerning if prices were personalised in a way that was biased or unfair to individuals or groups of individuals, and vulnerable consumers in particular may find this harder to challenge. In turn, this could be in tension with measures such as [Ofcom's fairness for customer commitments](#) and [anti-discrimination legislation](#).

The use of agentic AI is an area of great interest in consumer markets, but the technology is at such an early stage of development that it is very difficult to predict how this will evolve. Generally, however, there could be considerable risks if agentic commerce develops in a way that is [misaligned](#) or diverges from the preferences of consumers the agents are acting for. This could include an agent identifying telecoms packages that superficially represent good value, but contain no contract flexibility. Ofcom may need to work with the CMA to ensure that where telecoms providers procure systems to facilitate agentic commerce, that appropriate safeguards are in place to prevent transactions that are misaligned with consumer preferences. Ofcom should also look to produce guidance for telecoms providers on how to comply with the general conditions when deploying agentic AI, as the [CMA](#) has done in relation to consumer law.

### Q3: Do we need to make changes to our rules to support responsible innovation or to protect consumers?

In general terms, we recommend that Ofcom considers the following actions:

- We recommend that Ofcom ensures **regulatory collaboration** by working with the ICO and CMA to address overlapping regulatory issues that arise from the use of AI in the telecoms sector. This may include issues related to consumer protection, data protection.
- We also recommend that Ofcom follow the example of the CMA and their recently published [guidance on complying with consumer law when using AI agents](#) by issuing **guidance for telecom providers** relating to the deployment of AI agents within telecoms markets.

With particular reference to [Ofcom's General Conditions](#), we recommend:

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**For more information contact:**

**Milly Zimeta**  
**Head of Digital and Data Policy**  
**m.zimeta@which.co.uk**

**Tom Lowe**  
**Principial Policy Advisor**  
**tom.lowe@which.co.uk**

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