



BT Group plc  
1 Braham Street,  
London E1 8EE,  
United Kingdom

bt.com

Martin Ballantyne  
General Counsel  
Ofcom  
Riverside House  
2a Southwark Bridge Road  
London SE1 9HA

31 May 2024  
By email only

Dear Martin,

### **Compliance with Our Commitments**

I am writing to you regarding changes we have made internally to BT's governance arrangements whilst ensuring continued compliance with section 19.4 of Our Commitments [*BT shall identify a compliance body (which shall not be the OBARCC) with the role of reviewing compliance by BT with these Commitments and the Governance Protocol, as set out in the Governance Protocol*] and sections 7.13 – 7.15 of Part A of the Governance Protocol.

### **BT Compliance Committee**

Until March 2024, the BT Compliance Committee has been responsible for the monitoring and reporting of:

- BT's compliance with the Commitments and the Governance Protocol as set out in section 19.4 of the Commitments and sections 7.13 – 7.15 of Part A of the Governance Protocol;
- whether the culture in BT and the behaviours of BT people in relation to the Commitments and Governance Protocol are conducive to BT's compliance with them and to delivery of the Digital Communications Review objectives ("DCR objectives"); and
- the extent to which the DCR objectives are being met.

The BT Compliance Committee's remit has since April 2021 also included consideration for how BT approaches issues of consumer fairness. This has been separate to its Commitments oversight functions.

### **New governance structure**

A number of recent changes have prompted BT to review the current structure of its non-executive committees:

- With the change in scope of Ofcom's Openreach Monitoring Unit (OMU) moving to focus less specifically on the Commitments and more broadly on outcomes of the WFTMR and wider telecoms regulatory regime, it was considered the BTCC's current scope and interests were not optimally aligned with and covered only a part of the OMU's agenda.
- The following changes to the BT's non-executive directors has also prompted this review:
  - The current chair of the BT Compliance Committee, Isabel Hudson, is due to complete her tenure on the BT Board in summer 2024

- Independent board member, Allison Kirkby, became BT's CEO from February 2024

As a result, the BT Group plc board has decided to transfer the responsibilities for reviewing compliance with the Commitments to the Audit and Risk Committee (BARC)<sup>1</sup> from April 2024. This ensures that all issues of regulatory compliance can be considered and addressed by the same board committee (and aligns to how the Openreach Board Audit Risk & Compliance Committee also functions in relation to Commitments oversight). BT is looking to recruit a new Non-Executive Director with regulatory experience with the intention that this role will also sit on the BARC.

BT wishes to assure Ofcom that it remains fully committed to ensuring the DCR outcomes and to ensuring Openreach's greater strategic and operational independence. BT is confident that the new governance structure will continue to allow it to monitor that the Commitments continue to operate in practice as they were designed to and that the culture, behaviours, structures and processes within BT and Openreach remain conducive to Openreach's greater independence.

We suggest that in light of these changes, it may be an opportune moment to update the 2018 *Memorandum of Understanding* between the CAO and Ofcom to reflect the new working arrangements. Sophie Thomson, Commitments Assurance Director, BT, will be in touch with Ian Strawhorne (Director of Enforcement, Ofcom) directly in this regard.

### **Consumer Fairness**

The BT Compliance Committee has also been responsible for monitoring:

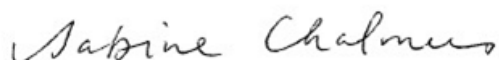
- whether BT is living up to the Consumer Fairness Principles<sup>2</sup>;
- whether the culture in BT and the behaviours of BT people are conducive to BT's adherence to the Consumer Fairness Principles and to delivery of BT being trusted regarding consumer fairness; and
- the extent to which BT is meeting the desired outcome of being trusted in relation to consumer fairness

Responsibility for the monitoring of consumer fairness will now sit with the Responsible Business Committee (RBC) as part of its wider remit to agree and monitor the execution of BT Group's responsible business strategy including in relation to digital skills, responsible tech, human rights and social issues.

These changes will enable us to maintain focus on both Our Commitments and Consumer Fairness commitments, whilst positioning them within the wider scope of both regulatory obligations and group-wide strategic programmes.

I look forward to discussing further with you at our next meeting.

Yours sincerely,



**Sabine Chalmers**  
**Group General Counsel, Company Secretary and Group Director of Regulatory Affairs**

Cc Ian Strawhorne, Director of Enforcement, Ofcom and Openreach Monitoring Unit

---

<sup>1</sup>The role of the BARC is described at page 101 of the BT Group's 2023 Annual Report: [BT Group plc - Annual Report 2023](#).

<sup>2</sup> Ofcom's Fairness for Customer Commitments (extract attached for reference in the Annex), published in June 2019 and signed up to by all BT brands, as may be amended from time to time