

**Telecommunications Users and Consumers Advisory Committee (TUCAC)**

**Minutes of the 8<sup>th</sup> Meeting held at 3:00 p.m.**

**on 16 April 2015 (Thursday) in Conference Room,**

**Office of the Communications Authority (“OFCA”),**

**29/F Wu Chung House, Wan Chai**

**Present:**

Mr. Danny LAU (Chairman)	Deputy Director-General (Telecommunications), OFCA
Ms. June IP	Representative of Consumer Council
Mr. Alex KUN	Representative of Communications Association of Hong Kong (CAHK)
Mr. K W MA	Member appointed on an ad personam basis
Mr. Kenny CHIU	Member appointed on an ad personam basis
Mr. Michael LUI	Representative of Education Bureau
Mr. Thomas SUN	Member of the public
Ms. Pauline YUNG	Member of the public
Ms. Martha LEUNG	Member of the public
Ms. Eva WONG	Member of the public
Mr. C B WONG	Member of the public
Ms. Cindy CHAN	Member of the public
Mr. Derek Emory YEUNG	Member of the public
Ms. Jamay WONG (Secretary)	OFCA

**In attendance:**

Mr. Allen TIN	OFCA
Ms. Victoria LUCK	OFCA
Mr. Sidney TSAN	OFCA
Mr. Kingsley YEUNG	OFCA
Miss Edith YAU	OFCA

**Absent with apologies:**

Mr. Watson CHAN	Representative of The Hong Kong General Chamber of Commerce
Mr. Ken FONG	Representative of Hong Kong Wireless Technology Industry Association (HKWTIA)
Ms. Irene LEUNG	Representative of the aged community
Mr. Eric YEUNG	Representative of small and medium enterprises
Mr. Anthony NGAN	Representative of the disabled
Mr. Ben YU	Representative of the disabled
Ms. Florence MAN	Member of the public
Ms. Agnes CHAN	Member of the public
Mr. Daniel LO	Member of the public

## **I. Confirmation of the Minutes of the 7th Meeting**

1. The Secretary had not received any proposed amendment to the draft minutes of the 7th meeting from the members and no amendment was proposed by the members in the meeting. The Chairman announced that the minutes of the 7th meeting were confirmed.

## **II. Implementation and Revision of the Industry Code of Practice for Telecommunications Service Contracts**

2. Mr. Allen TIN briefed the members on the implementation and revision of the Industry Code of Practice for Telecommunications Service Contracts ( “Industry Code” ), including the current major provisions and effectiveness of the Industry Code, and the enhancements introduced after the review. Related information is in TUCAC Paper No. 1/2015.

3. The Chairman said that the Communications Authority (CA) did not have specific statutory responsibility for consumer protection. Nonetheless, if OFCA found that the consumer complaints received were resulted from certain systematic problems, it would discuss with the industry to find ways to resolve the problems ( e.g. formulation of Industry Code, implementation of measures to prevent mobile bill shock, etc.) and protect the consumers.

4. Mr. K W MA said that it seemed that the revised Industry Code did not cover the automatic contract renewal arrangement. Mr. K W MA pointed out that at present if a user did not notify an operator to terminate its service one month before the expiry of a contract with a fixed term, the operator would renew the contract automatically. As most of the users and the elderly, in fact, did not pay attention to the expiry dates of their contracts, he considered that such an automatic renewal arrangement might not be appropriate.

5. The Chairman said that as stipulated in the Industry Code, the contract must oblige the service provider to notify the customer of the impending expiry of the term of the contract, no more than 60 days and no less than 30 days before the date the contract expired; and specify whether service would continue to be provided to the customer after the expiry date. According to his understanding, operators sometimes could not contact their customers successfully and thus were unable to discuss with them the service arrangements after the expiry of their contracts. In accordance with the Industry Code, the operator would automatically renew the contract on a month-to-month basis so as to ensure that the service provided to the customer would not be affected.

6. Mr. K W MA said that delay in renewal of contract might sometimes be caused by users who still wanted to enquire about the service plans of other operators in the market after receiving an offer from the existing operator. He asked whether the revised Industry Code had removed the arrangement of automatic renewal of contracts with a fixed term for users who did not take the initiative to terminate the service one month before the expiry of their contracts.

7. The Chairman responded that operators would not take the initiative to terminate their services if they did not receive service termination request from their customers as abrupt suspension of service would cause inconvenience to customers.

8. The Secretary said that they noted from the complaints received by OFCA that some consumers did not quite understand what a contract with a fixed term meant. Most of the consumers who lodged the complaints opined that their operators would terminate the service automatically upon completion of the service contracts. However, as mentioned by the Chairman, abrupt suspension of service would cause inconvenience to customers. As such, OFCA did not advise operators to make such an arrangement. In fact, upon

completion of a contract with a fixed term, contractual relationship still existed between a consumer and an operator though the contract was no longer the one with a fixed term and the service would be provided continuously on a month-to-month basis. In respect of the automatic contract renewal arrangement, as far as they knew, operators would set out relevant options in the contract clearly so as to enable customers to indicate whether they would renew another contract with a fixed term upon the expiry of the existing one.

9. The Chairman added that consumers should also be mindful that in general, monthly charges for service provided on a month-to-month basis would be higher than the charges under a contract with a fixed term.

10. Mr. K W MA said that currently operators would promote retention offer to customers over the phone. However, users sometimes might not be able to hear the details of the offer clearly due to environmental constraints. He hoped that operators could provide written information about the retention offer for consumers' reference before customers decided on whether to renew their contract or not.

11. The Chairman thanked Mr. K W MA for his opinion. He said that the number of complaints in that respect was very small. Besides, more complicated administrative arrangements might be involved if operators were to provide written information about the retention offer to the customers. According to the Industry Code, operators were required to provide written confirmation to customers for contracts concluded verbally.

12. Ms. June IP agreed that it would be more desirable if operators could provide written information to customers before they decided to renew their contracts. However, as operators had to serve a large number of customers, there might indeed be administrative difficulties in implementing such an arrangement. Moreover, the number of complaints of this type received by the Consumer Council was relatively small.

### **III. Implementation of the Customer Complaint Settlement Scheme for the Telecommunications Industry on a long term basis**

13. Ms. Victoria LUCK briefed the members on matters in relation to the implementation of the Customer Complaint Settlement Scheme ("CCSS") for the Telecommunications Industry on a long term basis, including the background of CCSS,

review of the outcome of the trial and the way forward. Related information is in TUCAC Paper No. 2/2015.

14. Mr. K W MA enquired the amount of funding provided by the CA to CCSS.

15. The Chairman responded that CCSS was funded by OFCA Trading Fund whose income was mainly derived from the licence fees charged to telecommunications service providers. During the trial period, OFCA provided about HK\$ 1.5 million each year to CCSS mainly for meeting daily operating expenses such as the rent of the service centre and remuneration for mediators.

16. Mr. Thomas SUN enquired if OFCA received any written comments from customers who had used the mediation service of CCSS. He suggested that OFCA could make use of those comments to promote CCSS.

17. Ms. Victoria LUCK responded that OFCA had received customers' comments to CCSS including their satisfaction level to CCSS.

18. Mr. Kingsley YEUNG added that the mediation service centre ("mediation centre") would invite customers to fill in questionnaires after each mediation case in order to find out their comments to CCSS. The survey reflected that customers and CCSS members were satisfied with all aspects of CCSS and the service was highly rated. In fact, the mediation centre had published comments of some of its customers in the CCSS annual reports which were uploaded to the CCSS website.

19. The Chairman thanked Mr. Thomas SUN for his opinion and said that he would consider mentioning information about customers' comments and satisfaction level when promoting CCSS in the future.

20. Mr. Kenny CHIU would like to know whether the mediation centre was operated as an independent organisation. If otherwise, he would have concern over the recognition of the centre. He also enquired if the mediation centre performed any functions other than providing mediation service for CCSS.

21. Ms. Victoria LUCK pointed out that the mediation centre was an independent

organisation set up under the Communications Association of Hong Kong (CAHK), an industry association representing the communications sector in Hong Kong, to provide mediation service for CCSS. She pointed out that the mediation service required the participation and support of the customers and members of CCSS. While CCSS was managed and operated by an independent service centre, OFCA monitored the performance and governance of CCSS. For example, the framework and relevant rules and procedures of CCSS had to be confirmed by OFCA and the service centre was required to submit statistics on complaints received and handled to OFCA regularly.

#### **IV. Any Other Business**

##### **Report on Consumer Complaints**

22. The Secretary reported that the CA had received 671 cases of consumer complaints in the 4th Quarter of 2014, representing a drop from the number of cases received in the 3rd Quarter. Among these complaints, 649 cases (96.7%) were outside the CA's jurisdiction. These complaints primarily involved disputes over billing/contracts/service termination, dissatisfaction with customer services and dissatisfaction with the quality of mobile communications/fixed network/Internet services. The remaining 22 cases (3.3%) were related to the possible breach of the Telecommunications Ordinance or licence conditions, including complaints about alleged misleading or deceptive sales conduct, access by operators to public areas of buildings for the installation of telecommunications/broadcasting equipment and networks, alleged anti-competitive practices of service operators and alleged abuse of position by service operators. No substantiated case was confirmed to be in breach of the Telecommunications Ordinance/licence conditions in the 4th Quarter of 2014. The latest consumer complaint statistics are in Annex 1.

#### **V. Date of Next Meeting**

23. The Secretary informed the members that the next meeting would be held on 24 September 2015 at the same time.

24. There being no other business, the meeting was adjourned at 4:40p.m.

**The 8<sup>th</sup> Meeting of the Telecommunications Users and Consumers Advisory Committee**  
**(16 April 2015)**

**CA's Latest Statistics on Consumer Complaints on Telecom Services**  
**(4<sup>th</sup> Quarter of 2014)**

Service Type	1 <sup>st</sup> Q 2014		2 <sup>nd</sup> Q 2014		3 <sup>rd</sup> Q 2014		4 <sup>th</sup> Q 2014		Number of Cases found to involve breach of the Telecommunications Ordinance / Licence Conditions after Investigation
	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance / Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance / Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance / Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance / Licence Conditions	2014
Mobile	659	642	584	573	489	479	408	399	1
Fixed Network	115	107	178	170	120	115	85	75	0
Internet	147	141	220	217	166	164	162	160	0
External Telecommunications	15	14	12	12	9	9	9	9	0
Others	13	12	6	5	3	1	4	3	0
Unclassified	4	4	11	11	5	5	3	3	0
<b>Total</b>	<b>953</b>	<b>920</b>	<b>1011</b>	<b>988</b>	<b>792</b>	<b>773</b>	<b>671</b>	<b>649</b>	<b>1</b>

Remarks: The aforesaid statistics on consumer complaints about telecom services do not include reports made by consumers in respect of the Unsolicited Electronic Messages Ordinance and the Trade Descriptions Ordinance.

## A. Analysis of Complaints in the 4<sup>th</sup> Quarter of 2014

### Overview

- In the 4<sup>th</sup> Quarter of 2014, CA received 671 consumer complaints, showing a decrease from the number of cases received in the 3<sup>rd</sup> Quarter (792 cases). The number of complaints about mobile and fixed network services decreased significantly. Among the complaints in the 4<sup>th</sup> Quarter, 649 complaints (96.7%) were outside CA's scope of jurisdiction as they did not involve any breach of the Telecommunications Ordinance ("TO") or licence conditions ("LC"). The majority of these complaints were related to disputes on bills / contract terms / service termination, dissatisfaction with customer service and dissatisfaction with the quality of mobile / fixed network / Internet services. The total number of these three types of complaints accounted for 88.9% (577 cases) of the cases which did not involve any breach of the TO or LC. The CA referred these cases to the operators, who would contact the complainants directly to resolve the issues.

### Cases Involving Possible Breach of the TO or LC

- The remaining 22 cases (3.3%) of consumer complaints in the 4<sup>th</sup> Quarter were within the CA's scope of jurisdiction, i.e. they were related to possible breach of the TO or LC. Among these 22 cases, 14 cases (accounting for 63.6% of the possible breaches) were related to alleged misleading or deceptive sales conduct, from which 8 cases being related to mobile services, 4 cases involving fixed network services and 2 cases about Internet services. The remaining cases of possible breach of the TO or LC included 6 cases which involved access by operators to public areas of buildings for the installation of telecommunications / broadcasting equipment and networks, 1 case of allegation against a mobile service operator of suspected anti-competitive practice and 1 case related to allegation against a fixed network service operator of suspected abuse of dominant position. The CA would conduct investigation on possible breach of the TO or LC should there be sufficient *prima facie*



evidence.

### Mobile Services

- In the 4<sup>th</sup> Quarter of 2014, among all the consumer complaints received by the CA, the number of cases and the complaint rate related to mobile services were 408 and 60.8% respectively. The number of cases showed a significant decline from 489 cases in the 3<sup>rd</sup> Quarter, while the complaint rate was similar to that in the 3<sup>rd</sup> Quarter which was 61.7%. Among the complaints received concerning mobile services, the major types of complaints were those related to disputes on bills / contract terms / service termination (183 cases), dissatisfaction with customer service (107 cases) and dissatisfaction with network quality (63 cases). The number of these cases accounted for 86.5% (353 cases) of the total number of complaints on mobile services. In the 4<sup>th</sup> Quarter, there were 9 cases related to mobile services involving possible breach of the TO and LC, among which 8 cases were related to alleged misleading or deceptive sales conduct and 1 case was related to allegation against a service operator of suspected anti-competitive practice.

### Fixed Network Services

- In the 4<sup>th</sup> Quarter of 2014, the consumer complaints related to fixed network services accounted for 12.7% (85 cases) of the total number of complaints received by the CA. Both the complaint rate and the number of cases were lower than those in the 3<sup>rd</sup> Quarter which were 15.2% and 120 cases respectively. The three major types of complaints received in the 4<sup>th</sup> Quarter were related to dissatisfaction with customer service (34 cases), disputes on bills / contract terms / service termination (26 cases) and dissatisfaction with network quality (9 cases). They accounted for 81.2% (69 cases) of the total number of complaints concerning fixed network services. There were 10 cases involving possible breach of the TO or LC. Among these cases, 5 were related to access by service operators to public areas of buildings for the installation of

telecommunications / broadcasting equipment and networks, 4 to alleged misleading or deceptive sales conduct and 1 to allegation against a service operator of suspected abuse of dominant position.

#### Internet Services

- In the 4<sup>th</sup> Quarter of 2014, 162 consumer complaint cases related to Internet services were received. Compared with the 166 cases in the 3<sup>rd</sup> Quarter (accounting for 21% of the total number of complaints received), the complaint rate in the 4<sup>th</sup> Quarter increased slightly. The major types of complaints in the 4th Quarter were related to disputes on bills / contract terms / service termination (60 cases), dissatisfaction with customer service (45 cases) and dissatisfaction with Internet service quality (44 cases). The total number of these three types of complaints accounted for 92% (149 cases) of the complaints concerning Internet services. Among the complaints involving possible breach of the TO or LC in the 4th Quarter, 2 were Internet services related cases involving suspected misleading or deceptive sales conduct.
- The figures in the columns of “Number of Cases Outside the Scope of the Telecommunications Ordinance / Licence Conditions” and “Number of Cases found to involve breach of the Telecommunications Ordinance / Licence Conditions after Investigation” of the above table do not include complaints under study / investigation.

#### B. Case Analysis of Breach of the Telecommunications Ordinance / Licence Conditions

- In the 4<sup>th</sup> Quarter of 2014, there was no substantiated case of breach of the Telecommunications Ordinance / Licence Conditions. One case of breach recorded in this year had been reported to the members in the previous meeting.

Statistics on Consumer Complaints Received by the CA

<b>Service Type</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Mobile	2302	2738	2213	2140
Fixed Network	801	735	724	498
Internet	1603	1590	1237	695
External Telecommunications	89	87	55	45
Others	99	73	41	26
Unclassified	56	39	33	23
<b>Total</b>	<b>4950</b>	<b>5262</b>	<b>4303</b>	<b>3427</b>