

Public Opinion Survey on Protection Measures for Telecommunications Service Consumers

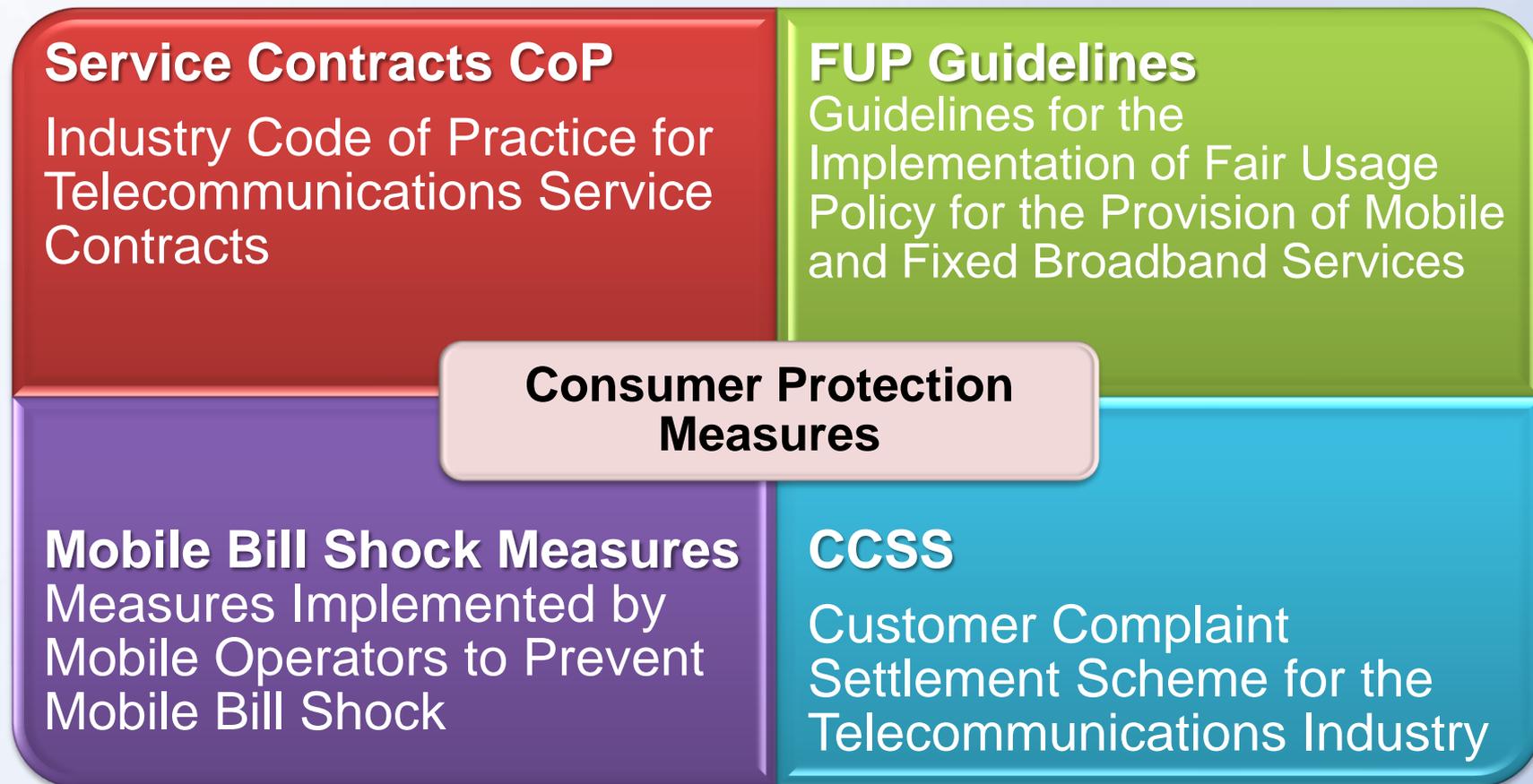
Telecommunications Regulatory Affairs Advisory Committee
21 January 2016

Purpose

- OFCA commissioned the Social Sciences Research Centre of the University of Hong Kong (“HKUSSRC”) to conduct a telephone survey (“Survey”) in respect of four consumer protection measures implemented by OFCA and the telecommunications industry
- This presentation summarises the major findings of the Survey and the recommendations for follow up by OFCA and the industry

Background

- The following regulatory and self-regulatory consumer protection measures have been implemented over the years -



Service Contracts CoP

- A self-regulatory measure implemented voluntarily by all major fixed and mobile service providers from July 2011, and the revised version implemented since 1 May 2015
- Enhanced protection to personal or residential users entering into new / renewing their telecommunications service contracts

FUP Guidelines

- Promulgated by the former Telecommunications Authority since February 2012
- Provides a number of guiding principles for implementation of FUP in order to ensure a uniform and transparent application of FUP
 - ✓ Enhance customers' understanding on and awareness of FUP
 - ✓ Enabling customers to compare the different offers in the market and to make informed subscription decisions

Mobile Bill Shock Measures

- Increasing number of complaints relating to mobile bill shock caused by unintentional or inadvertent usage of mobile data services, locally or while roaming outside Hong Kong
- In May 2010, the former Office of the Telecommunications Authority urged all mobile operators to adopt various Mobile Bill Shock Measures to address the problem, e.g. setting charge ceiling, usage cap, giving alerts to customers, etc.

CCSS

- A mediation scheme voluntarily implemented by the telecommunications industry to help resolve billing disputes in deadlock between service providers and their residential/personal customers
- After a trial period of two years starting from November 2012, long-term implementation of the CCSS commenced on 1 May 2015

The Survey

- A total of 1,267 respondents were interviewed
- To gauge the level of “**awareness**”, “**effectiveness**”, “**willingness to use**” and “**promotion**” towards the following features of each measure
- *Service Contracts CoP*
 - Written confirmation for contracts concluded over the telephone
 - Opt-out option for free-trial service
 - No automatic renewal of contract unless with the prior agreement of the customer
 - Clearly specifying the arrangements for contract terminations, renewals, extensions and replacements in the main contract document
 - A cooling-off period for contracts that are entered into during unsolicited visits to customers' homes

- *FUP Guidelines*

- Advising customers whether their service plans are subject to FUP
- Setting out clearly in the advertising and sales materials the related restrictions if any form of FUP is applicable to the service plan

- *Mobile Bill Shock Measures*

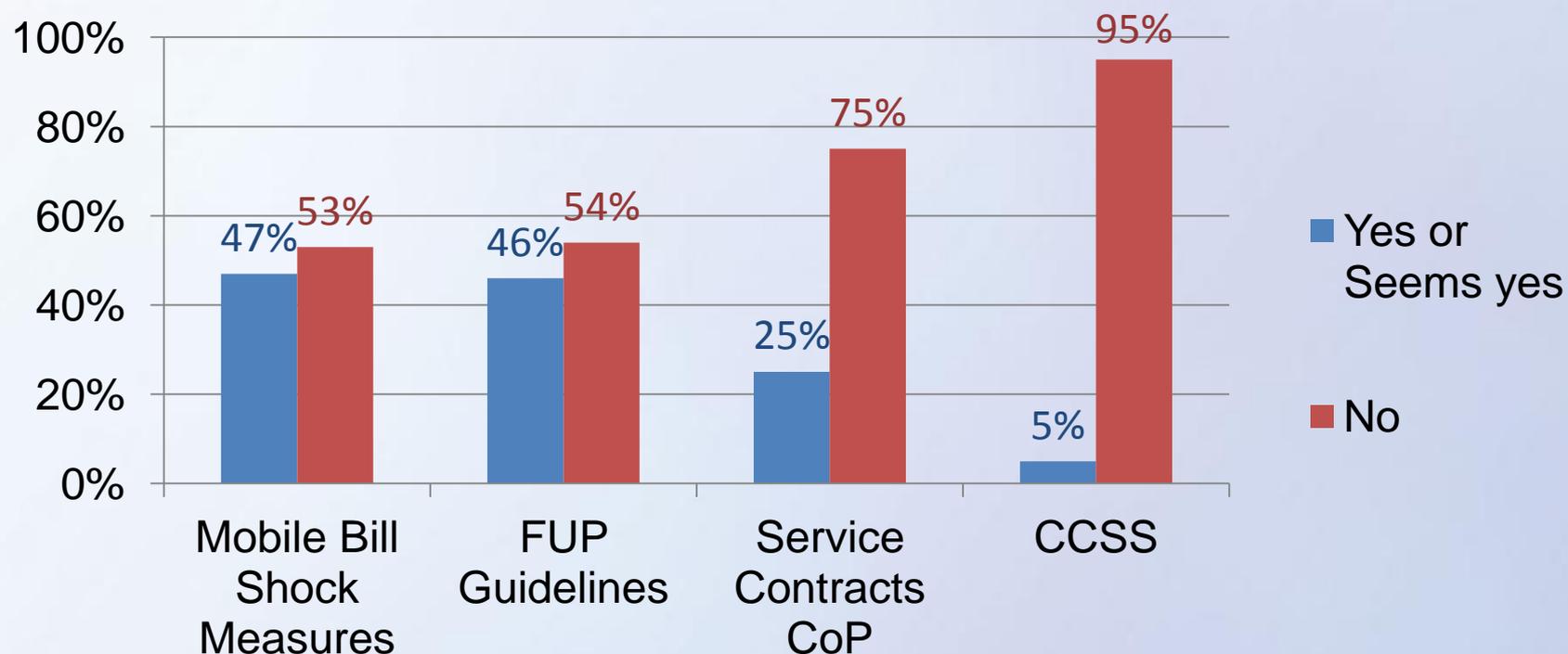
- Mobile Bill Shock Measures customers easily turning off mobile data or data roaming services
- Offering a charge or usage ceiling
- Alerting customers as pre-determined usage threshold is reached
- Sending alert to customers on data roaming usage

- *CCSS*

- General perception and usage of the scheme

Findings – Awareness (1)

Whether the respondents had heard about the consumer protection measures



Findings – Awareness (2)

Summary of demographic analyses

The following groups of respondents were more likely to report that they had not heard about each of the measures -

	Mobile Bill Shock Measures	FUP Guidelines	Service Contracts CoP	CCSS
Gender	-	Female	Male	-
Age Group	-	Over 60	18 – 30	-
Educational attainment	Primary or below	Primary or below	-	Tertiary
Employment status	Student or Retired person	Retired person	-	-
Monthly personal income	\$10,000 or less	\$10,000 or less	-	-

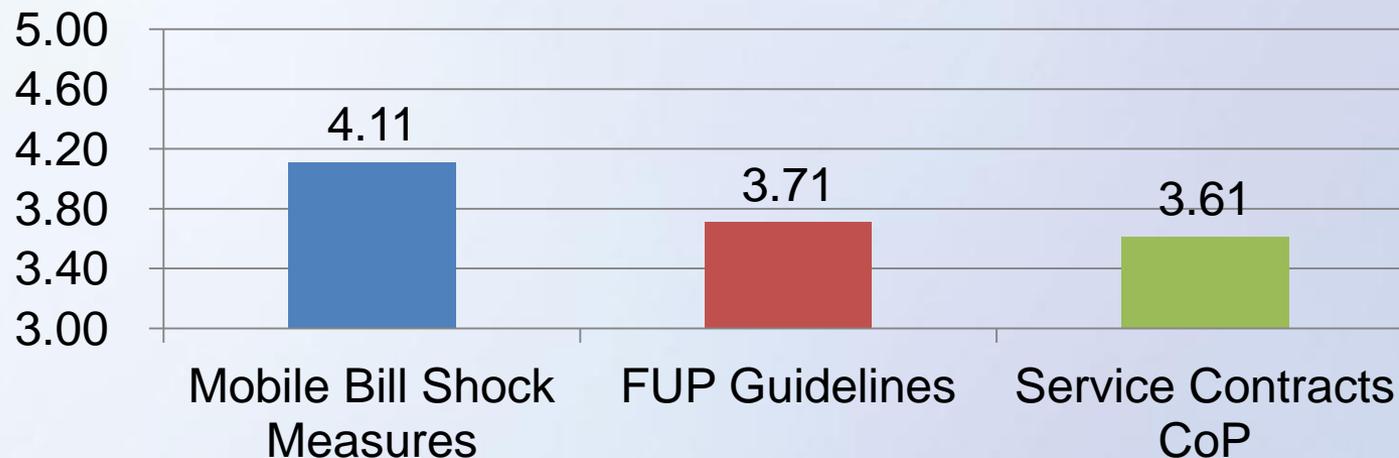
Findings – Awareness (3)

- Higher consumer awareness of Mobile Bill Shock Measures and FUP Guidelines
- Respondents with lower educational attainment, retired persons and lower income groups were more likely to respond that they had not heard about these two measures
- Relatively lower consumer awareness of CCSS, probably due to the fact that many respondents may not have come across billing disputes in deadlocks and that the publicity for CCSS has been comparatively less than those for other measures as a result they have little knowledge about CCSS

Findings – Effectiveness (Usefulness) (1)

*The respondents were asked to rate the usefulness of the consumer protection measures * (where 5 is highly useful and 1 is least useful)*

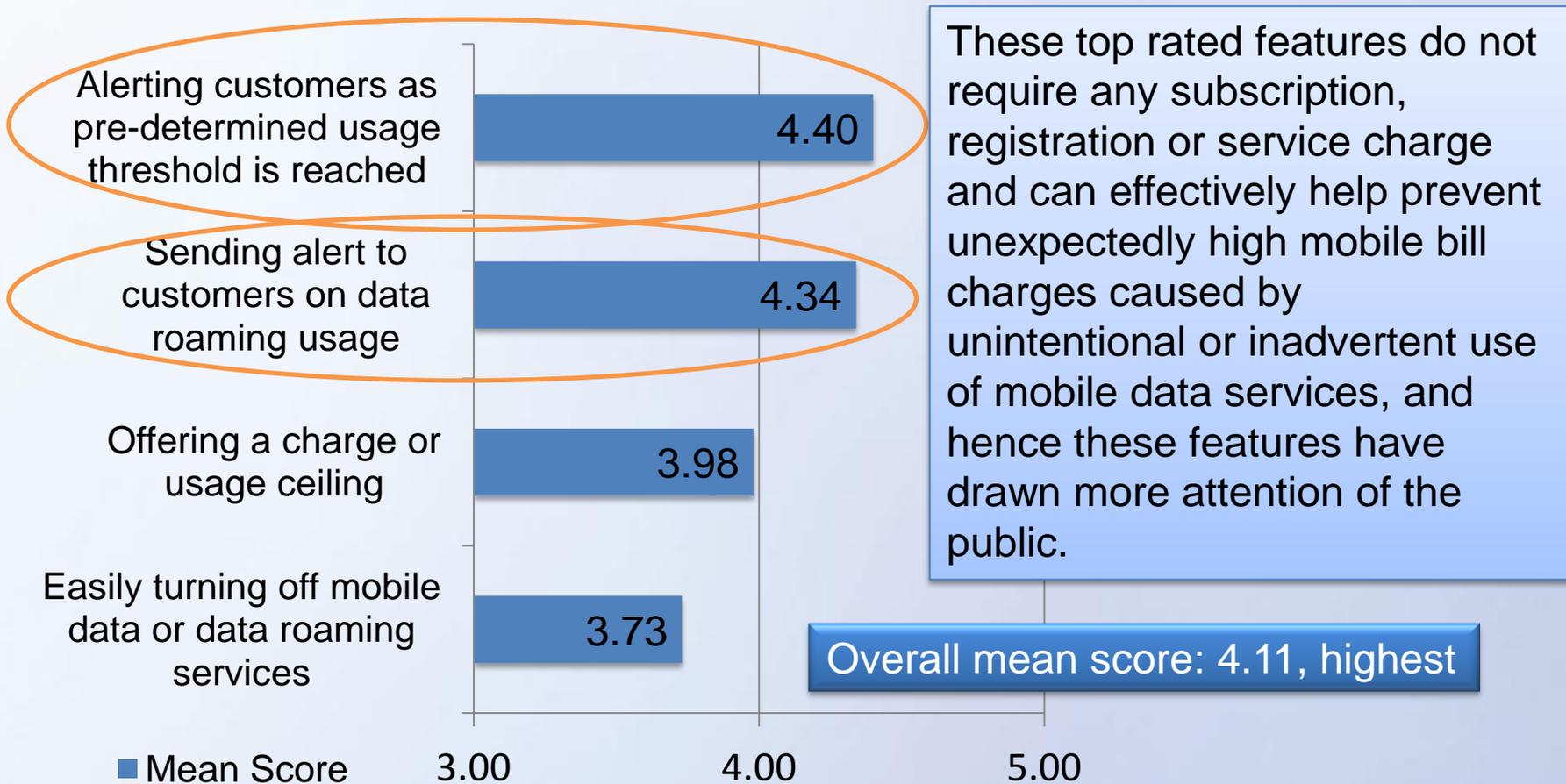
Overall mean score



* *As CCSS has its own specific target group, the Survey did not ask for responses about the effectiveness of CCSS.*

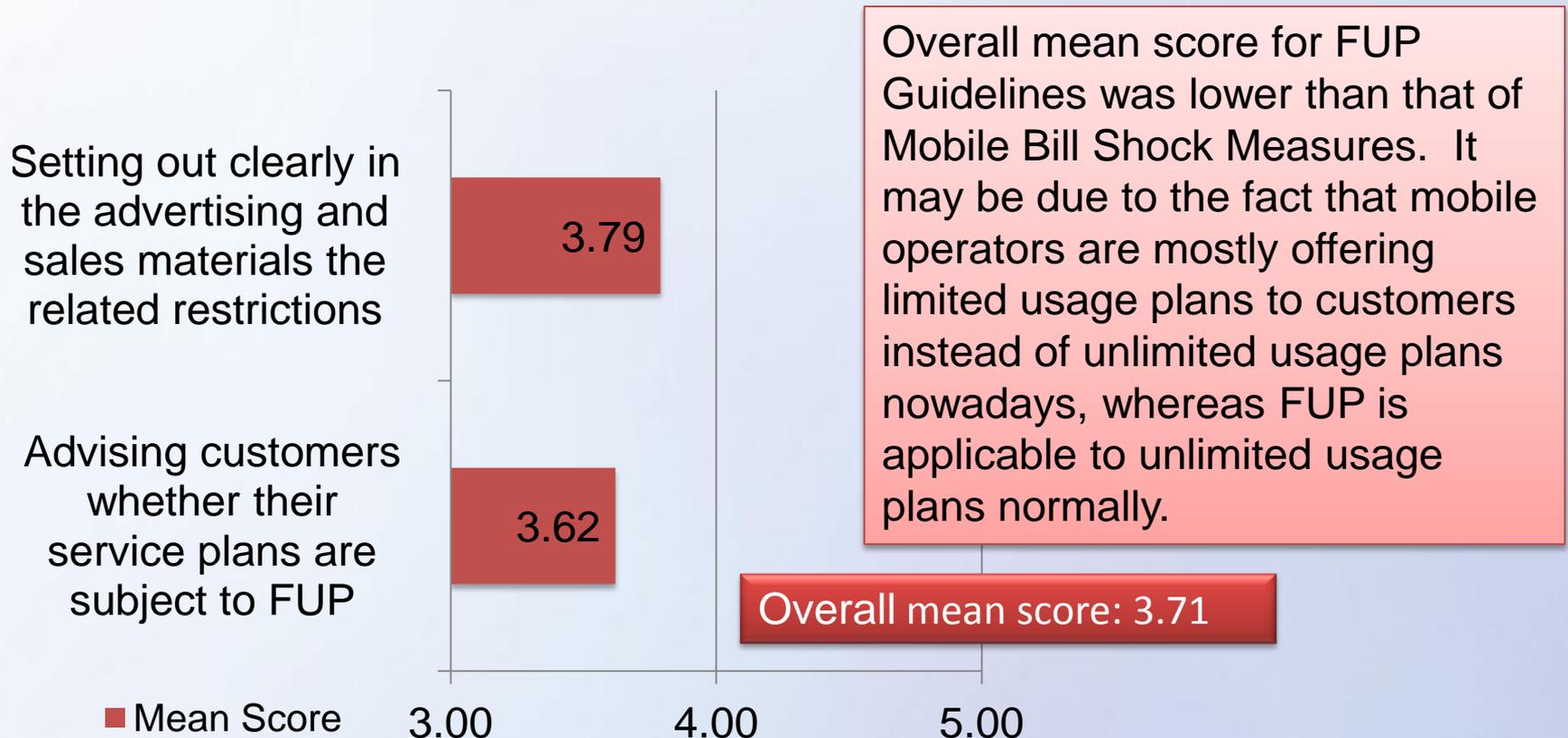
Findings – Effectiveness (Usefulness) (2)

Mobile Bill Shock Measures



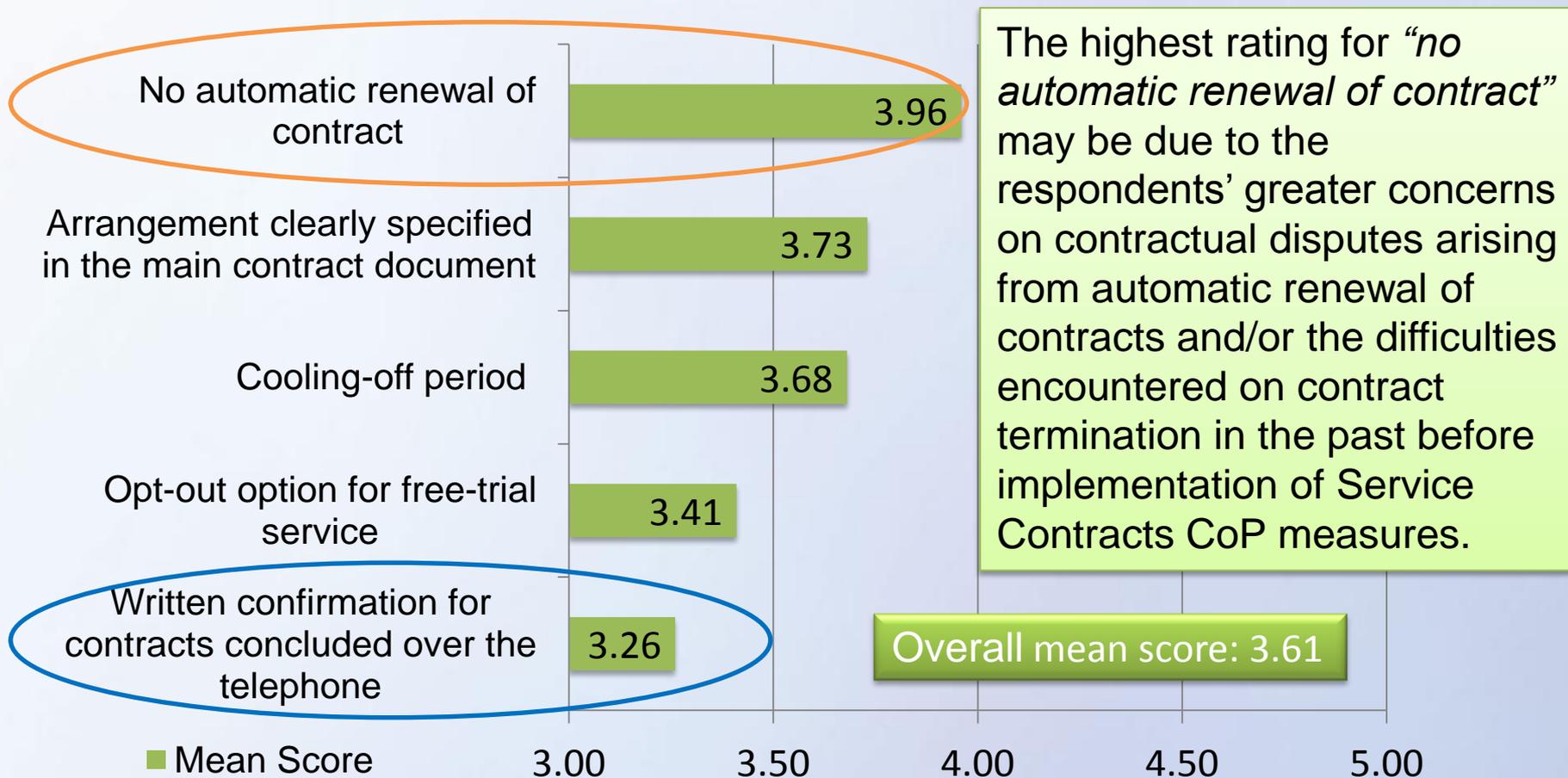
Findings – Effectiveness (Usefulness) (3)

FUP Guidelines



Findings – Effectiveness (Usefulness) (4)

Service Contracts CoP



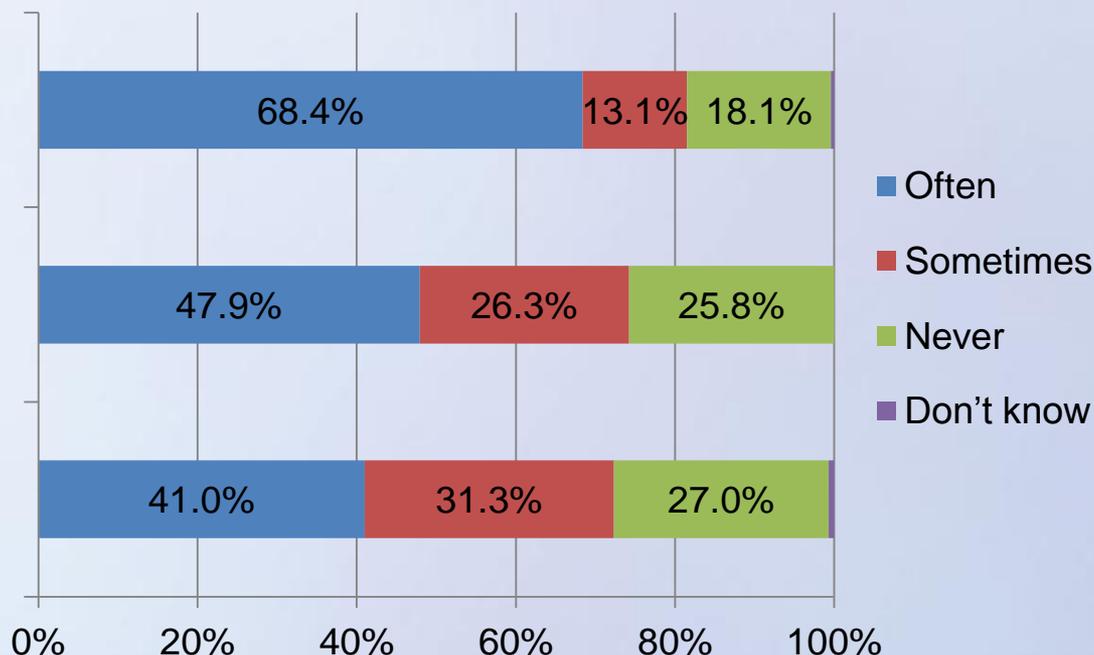
Findings – Effectiveness (Frequency) (1)

*The respondents were asked to assess the frequency of adopting measures to prevent **Mobile Bill Shock** by the operators*

Alerting customers as pre-determined usage threshold is reached

Sending alert to customers on data roaming usage

Offering a charge or usage ceiling



Findings – Effectiveness (Frequency) (2)

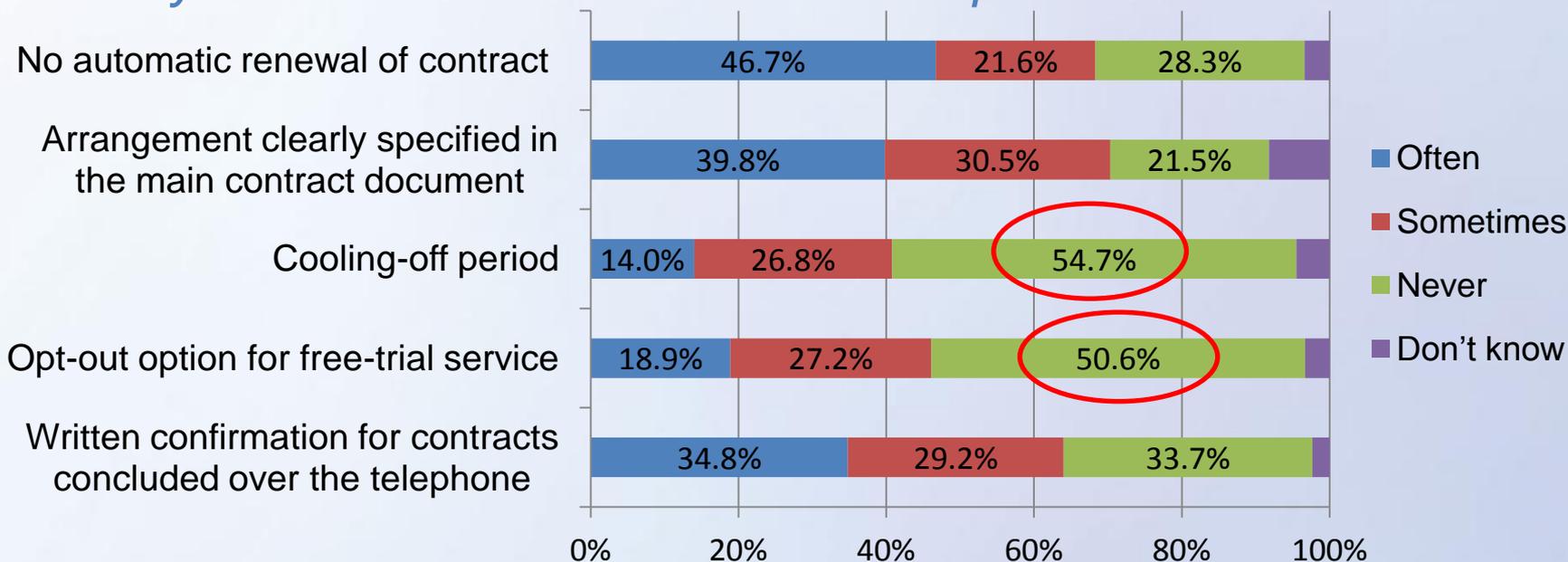
*The respondents were asked to assess the frequency of adopting the **FUP Guidelines** by the telecommunications service providers*



□ At least 29% of the respondents reported that their telecommunications service providers never implemented the measures in relation to the FUP Guidelines.

Findings – Effectiveness (Frequency) (3)

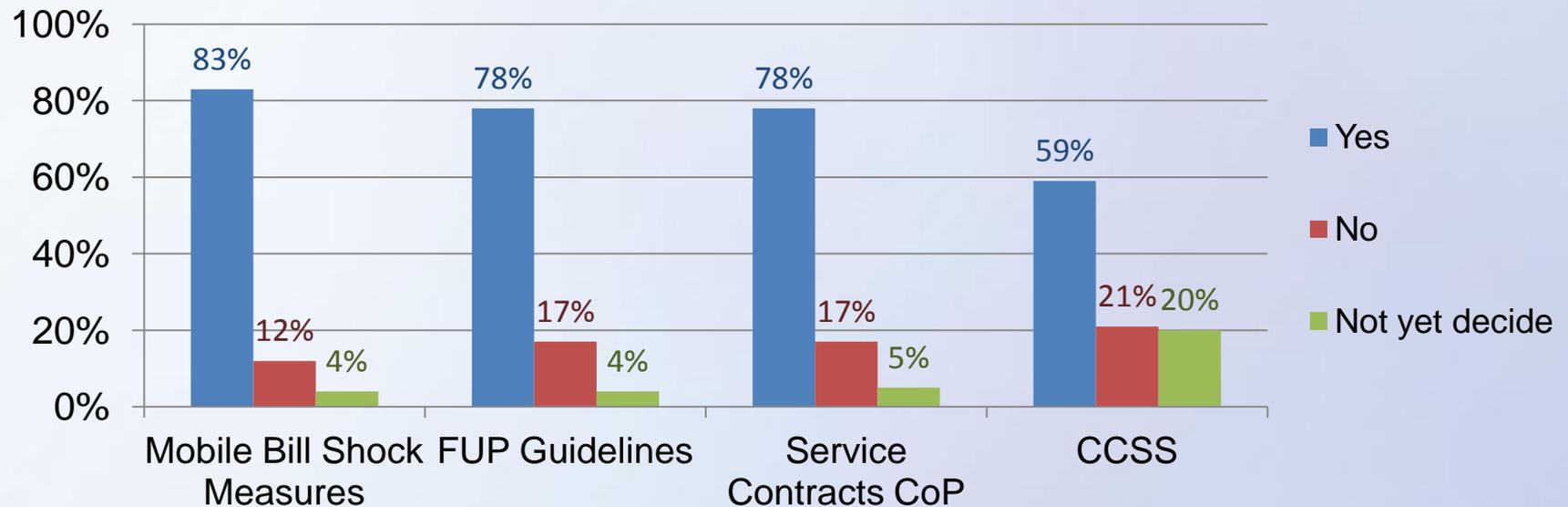
*The respondents were asked to assess the frequency of implementing the five features relating to the **Service Contracts CoP** by the telecommunications service providers*



- ❑ More than half of the respondents reported that the operators never implemented the features of “cooling-off period” and “opt-out option”.
- ❑ Among the respondents, retired and elder persons were more likely to respond that the telecommunications service providers never provided the features of Service Contracts CoP.

Findings – Willingness to Use

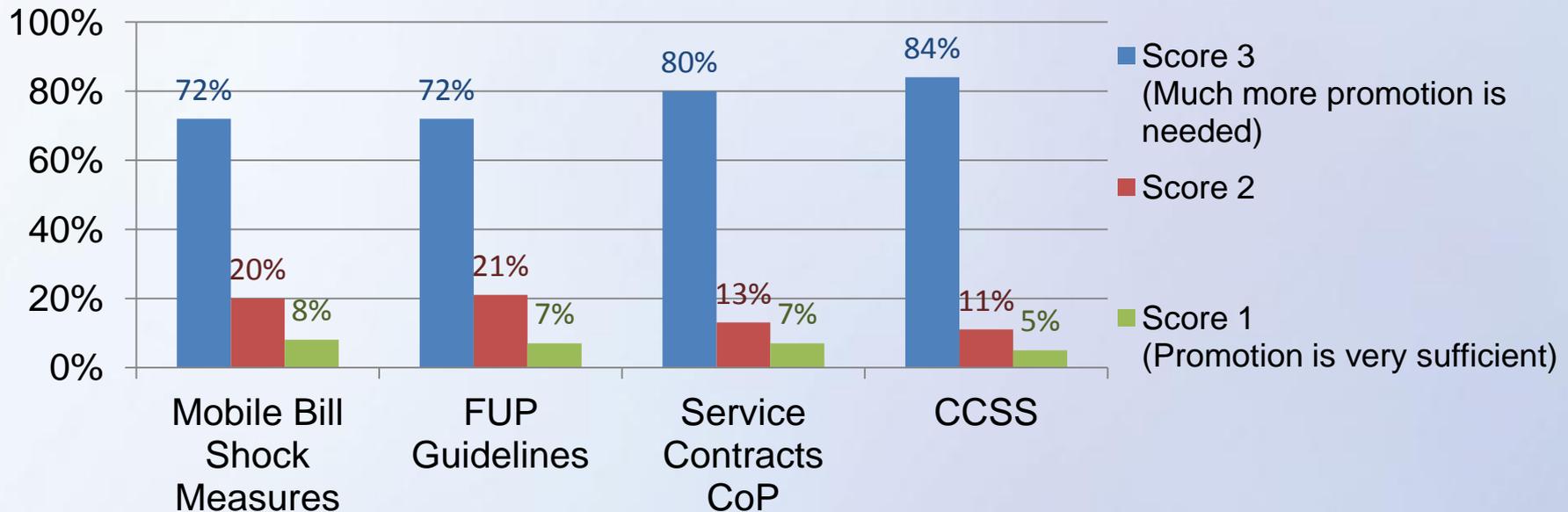
The respondents were asked whether they were willing to use or make reference to the consumer protection measures



- Most of the respondents were willing to make reference to the relevant CoP/Guidelines or continue to use/try the measures in the future.

Findings – Need of Promotion (1)

The respondents were asked to rate the need of promotion for the consumer protection measures



- Over 70% of the respondents rated all four consumer protection measures (CCSS in particular) as *“much more promotion is needed”*.

Findings – Need of Promotion (2)

Summary of demographic analyses

The following groups of respondents were more likely to rate the need of promotion for the measures concerned as “*much more promotion is needed*” -

	Mobile Bill Shock Measures	FUP Guidelines	Service Contracts CoP
Age Group	Over 60	Over 60	-
Educational attainment	Secondary or below	Secondary or below	Secondary and Tertiary

- Generally speaking, respondents aged over 60 or with lower educational attainment were more likely to respond that much more promotion would be needed for the measures in relation to Mobile Bill Shock and FUP Guidelines.

Recommendation

- The Survey indicates the need to enhance public awareness of all the four consumer protection measures
- OFCA will consider arranging more publicity and promotional activities, such as roving exhibitions, public seminars, community talks, as well as publishing advertorials in newspapers and magazines
- Telecommunications service providers are encouraged to –
 - Consider taking appropriate actions to ensure that these consumer protection measures are implemented satisfactorily
 - Provide these consumer protection measures to customers as appropriate and with necessary details
 - Consider strengthening their customer services to those target groups of customers in need, in particular the retired and elder persons

Thank you