



Office of Utility Regulation

Guernsey Telecoms Consumer Code of Practice

Invitation to Comment

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Office of Utility Regulation
Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey, GY1 2NH
Tel: (0)1481 711120, Fax: (0)1481 711140, Web: www.regutil.gg

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1. Introduction

The States of Guernsey has carried out a major overhaul of the telecommunications legal and regulatory framework in Guernsey to keep pace with international developments and position Guernsey to take advantage of existing and new technologies and services.

As part of that review the States decided to open up the Guernsey telecommunications market to competition as soon as possible so as to bring to Guernsey consumers the benefits that competition has demonstrably delivered in other jurisdictions, particularly in Europe over the past decade. The Office of Utility Regulation (“OUR”), which was established by the States in October 2001, has published details of the timeframe for opening up the telecoms market to competition and has licensed Guernsey Telecoms (“GT”) to provide both fixed and mobile services.

However, experience in other jurisdictions has shown that even after the introduction of competition it can take some time for competitive pressures to impact on the level and quality of service that is provided directly to end users. Therefore, in a market where GT will for a considerable period of time be the strongest player and will be the main supplier of services to end customers, the Director General of Utility Regulation (“the Director General”) wishes to ensure that the level and quality of services to customers is improved and developed in a way that could be expected in a competitive market.

In accordance with the requirements of the fixed telecommunications licence issued to GT by the Director General, GT has prepared a Consumer Code of Practice which was published on 1st January, 2002 and which it proposes to review and republish over the coming months. With this in mind the Director General, as part of her continued review of consumer related issues, is interested in the views of the wider market on the Code of Practice and, in particular, the views of consumers and users of telecommunications services provided by GT. This document is an invitation to interested parties to comment on the details of the GT Consumer Code of Practice.

2. Background

The Director General is developing the regulatory regime for the telecommunications market in the Bailiwick in preparation for a fully liberalised telecommunications sector in accordance with;

- Legislation approved by the States in September 2001¹;
- States Directions to the Director General in relation to universal service and the extent of competition in the telecommunications sector²; and
- States Direction on the identity of the first licensee to receive a licence with a Universal Service Obligation (“USO”) in the telecommunications sector.³

¹ The Regulation (Bailiwick of Guernsey) Law, 2001 (Billet d’Etat No. 1, 2001), and the Telecommunications (Bailiwick of Guernsey) Law, (Billet d’Etat No. VI, 2001).

² Billet d’Etat No VI, 2001

Together, the legislation and States Directions provide for the manner in which telecommunications market in Guernsey is to be opened up to competition. The Director General has already set out her position with regard to the dates for the introduction of competition which allows for the opening up of all parts of the market over the coming 15 months.

A key element of any regulatory framework is the protection of users' and consumers' interests and for this reason a number of consumer related conditions have been included in both GT's Fixed and Mobile Telecommunications Licences.

3. Legislative Background

Section 5(1)(g) of the Telecoms Law provides for the Director General to insert conditions in any licence issued under the law relating to the permanence, availability and quality of a telecommunications service or a telecommunications network. The Director General published notice of her intention to include such conditions in GT's licences⁴ and she confirmed this in Decision Notice OUR 01/14.

In accordance with condition 17.5 of GT's Fixed Licence and Condition 16.5 of its Mobile Licence, GT has now published a Consumer Code of Practice. The Consumer Code of Practice is published on GT's website and may be found at:

http://www.guernseytelecomslimited.com/gt_code_prac.asp

or directly from any of GT's offices.

GT has stated that is undertaking further development of the Code and will review and reissue it in the near future. Therefore the Director General is launching this invitation to comment with a view to obtaining the views of interested and affected parties on the contents of the Consumer Code.

This document does not constitute legal, technical or commercial advice; the Director General is not bound by this document and may amend it from time to time. This document is without prejudice to the legal position or the rights and duties of the Director General to regulate the market generally.

³ The Billet for the States of Deliberation meeting in September included a policy letter from the Board of Industry with recommendations on this issue.

⁴ Proposed Decisions under the Telecommunications (Bailiwick of Guernsey) Law, 2001 - Consultation Paper OUR 01/04

4. Structure of the Paper

This paper is structured as follows:

- Section 5 details the consultation procedure and timetable;
- Section 6 outlines the key features of the Consumer Code of Practice and highlights the areas upon which the Director General would particularly welcome the views of interested parties.
- Section 7 comments on some other consumer protection measures being proposed.
- Section 8 sets out the next stages in this process.

5. Consultation Procedure and Timetable

The consultation period will run from Thursday 9th January to Thursday 31st January, 2002. Written comments should be submitted before 5.00pm on 31st January, 2002 to:

Office of Utility Regulation,
Suite B1 & B2,
Hirzel Court,
St. Peter Port,
Guernsey GY1 2NH.

Email: info@regutil.gg

All comments should be clearly marked “Comments on Guernsey Telecoms Consumer Code of Practice”.

In line with the policy set out in Document OUR 01/01 – “Regulation in Guernsey; the OUR Approach and Consultation Procedures”, the Director General intends to make responses to the consultation available for inspection. Any material that is confidential should be put in a separate Annex and clearly marked so that it can be kept confidential.

The Director General regrets that she is not in a position to respond individually to the responses to this consultation, but she proposes to issue a report on the consultation in February 2002.

6. Consumer Code of Practice

6.1. Key Features

GT has published the Consumer Code of Practice on its website and it is also available directly from any of its offices. The Code contains information under the following headings:

- How to Contact GT
- GT's main services
- What to do if a customer has a complaint
- Bill Payment Code of Practice
- Arbitration provisions

The Director General is interested to hear any specific comments interested parties have on any of these matters. Views are also welcome on whether consumers and users consider that the scope of the Code addresses their needs and concerns. Respondents are invited to describe any additional areas they consider should be covered by the code. Detailed suggestions along with supporting explanations would be appreciated.

6.2. Areas of Special Interest

While the Director General would welcome comments on any aspect of the Code of Practice there are a number of areas that she believes warrant special attention. These are set out below and respondents are invited to comment particularly on these issues.

(a) Timeframe for Resolution of Complaints

The code, as currently drafted, does not specify a definite timeframe within which complaints will be resolved, although GT undertakes to discuss individually with each complainant a specific course of action. The Director General, while accepting that each complaint will possibly differ in complexity and urgency, believes it is possible to specify timeframes for the resolution of certain specific classes of complaints. These classes could include (but may not be limited to):

- Billing disputes;
- Time to install a connection;
- Time to provide service following a request for service from a customer;
- Time to repair faults.

This approach is normal in other nearby jurisdictions where incumbent telecoms operators in particular commit to resolving complaints within a specified timeframe. In the UK, BT undertakes that if a customer has reported a fault on their line and BT has not restored service by the end of the next working day the customer is entitled to compensation⁵. Similarly in Ireland, licensed operators are required by the regulatory regime to meet maximum response times for a range of faults such as billing, repair and installation⁶.

⁵ <http://www.groupbt.com/Corporate%20information/Regulatory/index.htm>

⁶ Codes of Practice for Handling Consumer Complaints by Telecommunications Operators – ODTR 01/67

The Director General would welcome detailed comments and suggestions on;

- Whether it would be beneficial to adopt an approach of categorising complaints as suggested so that specific timeframes for resolution could be set out, or
- Do customers consider a case-by-case approach would be preferable;

If respondents consider that it would be beneficial to categorise complaints, views are invited on

- what categories would be the most useful and could have suitable timeframes set for resolution of complaints, and
- what timeframes might be reasonable for such categories.

(b) Compensation

GT's Code sets out that where there is a complaint, and it accepts that it was at fault, it will offer compensation to the customer. The Code does not specify what form such compensation may take nor the scale of any such compensation. The Director General believes that in the interests of transparency for customers it should be possible for GT to develop a standard package of compensation levels for customers for certain general fault categories, such as those referred to at (a) above.

Once again, this has proven possible in other jurisdictions where for example, failure to supply a telephone line within a specified number of days from receipt of a request for installation results in a compensation payment. BT residential customers may claim a daily payment of one month's rental plus VAT for each day, or part day, that compensation is due, to a maximum of £1,000. Alternatively, if such a customer can prove that they have actually lost money as a result of BT failing to provide or restore service in accordance with its contract with the customer, the customer may be able to claim compensation of up to £1,000.

The Director General would welcome comments and suggestions from interested parties on this matter, including whether specific levels of compensation should be applied, and if so how levels should be set and whether there should be any escalating scale of compensation for continued failure.

(c) Itemised Billing

Under GT's licence, it is required to provide each of its Subscribers with an acceptable level of itemised billing for international calls, at no additional charge. It is also obliged, on request by a Subscriber, to provide itemised billing for local calls at a reasonable charge. The itemised bill shall in all cases provide sufficient detail to facilitate verification of charges incurred by the customer in using GT's services. Calls which are free of charge to the user, including calls to helplines, shall not be identified in the subscriber's itemised bill.

Itemised billing provides customers with the information they need to ensure that their bills are accurate. It also provides the customer with information that is essential if they are to consider obtaining service from alternative service providers. Without accurate and detailed information as to the cost of their bill and the breakdown of their spend, customers are not in a position to make informed choices about which service provider delivers the best value for money. As a result, many customers may simply remain with their existing telephone company, potentially paying higher prices than is necessary, rather than switching to a new service provider. This will become more important as competitors enter the Guernsey market.

In its review of the legislation governing the communications sector in Europe, the European Commission has given telecoms regulatory authorities in member states the power to set out a basic level of itemised billing that dominant operators must provide to consumers free of charge. The reasons for this are to enable customers to:

- (i) verify and control the charges incurred in their usage of telecoms services, and
- (ii) adequately monitor their usage and expenditure and thereby exercise a reasonable degree of control over their bills.

The European legislation further provides that, where appropriate, additional levels of detail may be offered to subscribers at reasonable charge or at no charge.

GT has set out in its Code of Practice that subscribers may opt to receive or not to receive an itemised bill for calls above a certain threshold (exceeding local untimed calls). The Director General is of the opinion that all new subscribers should be offered a service which includes the default option of receiving an itemised bill unless the subscriber chooses otherwise. All existing customers should be informed that they are entitled to receive an itemised bill free of charge should they so wish.

The Director General would welcome the views of interested parties on this matter.

7. Other Consumer Protection Measures

Separately, the Director General has asked GT to prepare proposals for the establishment of a Users Council or Councils. She is of the opinion that such a forum could be a useful tool in helping to highlight consumer demands with respect to their telecommunications requirements. The Director General is aware that Guernsey Post Office has already taken steps in this regard and believes that there is the potential for users, through participation in such fora, to make a valuable contribution to the improvement in the level of quality and service that all users of telecommunication services within the Bailiwick receive.

Respondents are invited to comment on the usefulness of Consumer Councils and make suggestions for the development of consumer fora for telecommunications services.

8. Conclusion

In conclusion, respondents are requested to comment on GT's Consumer Code of Practice, outlining in detail the areas where they believe amendments should be made. It would be particularly helpful if respondents indicated the nature of the amendments they consider appropriate and described why their proposed amendments should be taken on board.

The Director General will consider the comments received and proposes to publish her report on the further development of the Consumer Code in February 2002 and, if it is considered necessary, direct GT to make such changes to the Code as she considers appropriate in light of the reasonable needs and demands of consumers.

/ENDS