



**JCC Response to Consultation
CICRA Billing Practices for
Fixed Telecommunications Services
CICRA/12/47**

Introduction:

JCC welcome the opportunity to consult on the above topic. A key objective of the Consumer Council is to ensure that consumers are in receipt of adequate and timely information and this is particularly important when considering the provision of any element of telecommunication services.

The speed of change, volume of consumer information and range of products makes for a complex service.

Main Comments:

The Jersey Consumer Council have responded to the consultation with particular reference to Jersey Telecoms but are mindful of the benefits of considering good practices from other jurisdictions. The paper quotes Sure's charges but rarely identifies Jersey Telecoms comparative charges.

The Council recognise that changes are often met with frustration and negativity. Nonetheless the Council would like to raise the following points of concern:

- The dominance of one fixed line service provider.
- Forthcoming changes to Jersey Telecoms (JT) billing practices and how they will impact on the consumer.
- The Council are extremely concerned that the removal of cheques as a key method of payment will possibly have a detrimental effect on older customers and their ability to pay given possible mobility issues.
- The Council are extremely concerned that consumers are required to wade through or to research reams of web based information regarding telecommunications terms and conditions; generating a lack of understanding, distrust and confusion.
- Systems and provisions for the vulnerable customers



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PAYMENT NOTICE

Question 1

Are Respondents of the view that the payment deadlines in Sure's and JT's Consumer Codes of Practice give customers enough time to pay their fixed line bills?

- Based on the expectation of monthly bills it is reasonable for suppliers to impose payment deadlines; however the Council are not in favour of any shorter than the existing JT payment terms. The consultation paper refers on page 7 to 'JT allowing twenty-one days from the date of postage for payment of bills'; the preceding sentence notes that JT issues its bills on the 28th of each month – is this the date of postage? There appears to be a lack of clarity on this point.
- Any changes to the payment deadlines should be referred to CICRA for approval and then subsequently noted clearly on each bill before change is implemented as opposed to just on the supplier website

LATE PAYMENT & RECONNECTION FEES

Question 2

Respondents' views are sought on how late payments penalties and reconnection fees may be set by Sure and JT. For example, should these be proportionate to the size of the outstanding amount, or a fixed penalty?

The Consumer Council support CICRA, as we have no objection in principle to operators levying late payment or reconnection fees; assuming that customers have received their bills in a timely manner and they have been given a reasonable period in which to settle any outstanding amount (As previously discussed in question 1) The Council welcome CICRA's overall aim to ensure that dominant operators are 'bound at all times by the need for reasonableness, proportionality and fairness'

The consultation paper implies that at present JT does not impose a late payment fee, however given that the practice is now in place in Guernsey it would be fair to assume that this will be introduced into Jersey. Also the Council agree that consumers who regularly pay on time should not face price rises as a result of late payment by other customers. It would be of interest to know how many consumers would incur a late payment fee based on payment patterns in 2012.



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The Council consider that late payment fees should be proportional to the size of the consumers 'average' bill size rather than just proportional to the outstanding amount which may not be sufficient in some cases to encourage on time payments. A fixed or minimum late payment fee is discriminatory and impacts on the potentially vulnerable or low user rather than deter 'regular' late payments.

Reconnection fees, like fees for moving domestic telephone numbers is always a source of frustration for consumers as the fee appears to be high in relation to the task in hand.

The Council believe that to disconnect a consumer must be the absolute last resort and prior to this event taking place the consumer must be in receipt of a communication which is extremely clear and looks to seek alternative solutions.

If reconnection fees can be adjusted to reflect the consumer's average monthly bill the Council believe that with increased technology other charges could be born on a basis of proportionality.

Question 3

What alternatives are open to Sure & JT to address persistent late payers?

The Council, as previously mention would welcome greater clarity on the scale of the late payment issue and fluctuations in the trends. CICRA raise this point on page 10 of the consultation paper.

Perhaps this entire issue should be turned around and good payers rewarded with discounts; free calls etc rather than being a purely punitive approach.



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METHOD OF PAYMENT CHARGES

Question 4

Do respondents take the view that Sure & JT should continue to provide payment methods other than direct debit?

The Council agree with CICRA that the telecommunication providers should offer a choice of payment methods to their customers – none of which should incur disproportionate charges for choosing a particular method.

It has come to the attention of the Council that JT can only take direct debits from bank accounts on the 18th of the month which is impractical for many customers. The Council would like to see the customers being able to decide which day of the month a direct debit is taken i.e. the 29th of each month.

The Council are mindful that we are all experiencing a dramatic change in the world of telecommunications and electronics. However we must also consider all of our consumers who are facing an ever changing world. The current 'revolution' requires considered management to ensure customer loyalty and satisfaction is sustained in this highly competitive global market.

Question 5

Do respondents agree that customers who choose a method of payment different from direct debit should pay the additional cost incurred by Sure or JT in providing this particular payment method?

See above.

Question 6

Do respondents agree that Sure & JT should accept electronic transfers from customers who prefer this method of payment to the use of direct debit?

See above.



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Question 7

Respondents' views are sought on the quality and accessibility of information regarding what customers pay according to the payment method they chose and the costs of falling behind with their payments.

The Consumer Council are often contacted by confused consumers who appear to have difficulty in accessing or finding the relevant information they require; ranging from how many gigabytes of data they have used to changes in payment methods.

The Council feel strongly that telecommunications providers must retain a level of personal interface and simple information for consumers of all abilities to access and interpret.

We understand that JT will be stopping payments by cheques in the very near future; naturally this will have a significant impact on many customers. We are keen for such customers to be guided through the changes and not face complex changes and charges.