

Billing Practices

in the

Fixed Telecommunications Market

May 2013

Background

In the light of feedback regarding the billing practices of the incumbent fixed line telecommunications providers in the Channel Islands, the Channel Islands Competition and Regulatory Commission (CICRA) wished to ascertain the polices adopted by other utilities in Jersey and Guernsey and by telecommunication companies in other jurisdictions around the world.

The specific aspects of billing where there were concerns included:

- The length of time customers given to paying bills without penalty,
- The timing of bills,
- Billing notification process,
- Form of late payment and reconnection charges and the basis of those charges,
- Quality and accessibility of billing information available to customers.

Objectives

The primary objective of the project was therefore to select appropriate companies and assess their terms and conditions and provide CICRA with a detailed assessment of specific areas of the terms and conditions which would allow dialogue to be opened up with JT Global and Sure on aspects of their terms and conditions and how these could be improved.

This would enable CICRA to identify best practice as far as possible and to assess how Sure and JT fixed line billing practice deviates from this best practice. CICRA could then manage customer expectations and seek to address the position with the two incumbents in terms of their approach to billing in the future.

Methodology

Up to thirty organisations worldwide were surveyed of which eleven were reviewed in detail (primarily those demonstrating best practice).

In the initial assessment of the terms and conditions of telecom companies and other utilities around the world, the following operators were assessed:

Islands:

- Guernsey Water
- Guernsey Electricity
- Jersey Water
- Jersey Electricity
- Jersey and Guernsey Gas
- BTC, Bermuda
- Melita, Malta
- Manx Telecom
- Lime, Cayman
- Siminn, Iceland
- Bell Aliant, Prince Edward Island

Europe:

- BT
- Virgin Media
- Eircom, Ireland
- France Telecom
- UK Telecom, France
- Free, France
- KPN, Netherlands
- Ziggo, Netherlands
- TDC, Denmark
- Swisscom

Rest of the World:

- Telstra, Australia
- Optus, Australia
- Telecom New Zealand
- Vodafone, New Zealand

Of these, the operators with the clearest, most comprehensive or most detailed terms and conditions were selected for further analysis. The first eight operators selected offer comparisons with telecom providers in other jurisdictions and the latter three operators were included to give a comparison with other Channel Island utilities.

These were:

- Bell Aliant, Prince Edward Island
- BT
- Eircom
- Melita
- Optus
- Telecom NZ
- Telstra
- UK Telecom
- Guernsey Electricity
- Guernsey Water
- Jersey Electricity

The main terms and conditions of all the operators investigated have been supplied to CICRA in electronic version due to the length of the document.

Great care was taken with regard to the following variables:

- Ownership (public v private);
- Size of company;
- Monopoly situations (if any);
- The products and services to which the billing procedures apply (as far as telecoms companies surveyed, it would be important to consider primarily those that were responsible for landline services;
- Regulatory frameworks which apply.

Island Analysis was aware of best practice within current relevant frameworks such as **ISO 14452:2012**.

This particular standard covers 'all bills or statements for utility network services where there is an ongoing account relationship between the customer and the supplier, regardless of the payment used. It applies to services which are unmetered, metered at the point of delivery, or metered remotely (for example at the supplier's own premises). The standard:

- Defines the minimum requirements for billing and payment collection;

- Prevents or reduces complaints by tackling key issues;
- Ensures that suppliers assist customers by billing appropriately and consistently;
- Creates and sustains a fairer, longer-term supplier-customer relationship;
- Provides benchmarks for customer expectations;
- Allows for the implementation of smart metering technology and provision of improved customer information
- Facilitates innovation in billing, enabling suppliers to differentiate their services'

OFCOM conditions and guidelines were also consulted (Consolidated Version of General Conditions as at 22 November 2012 including annotations) to give an alternative view of how certain aspects of billing should be addressed.

In Australia, the Communications Alliance is the primary telecommunications industry body and its industry code C628:2012 was also referred to in order to broaden the international scope.

Each element of terms and conditions was assessed and, for ease of reference, colour coded as follows:

	very good
	good
	average
	poor
	very poor

While there will of course be some degree of subjectivity, the colour coding will enable CICRA to focus more easily on elements of best practice within different organisations. At any time, the actual terms and conditions can be read if there is judgement required.

The first section of this report contains a summary matrix showing the Island Analysis judgement of each operator's practice with regard to a particular element of the terms and conditions. This is followed by a series of tables (Pages 5 to 19) showing outline reasons behind the judgement. Primarily the judgement was based on the clarity, ease of understanding, transparency, and level of detail in the terms and conditions and not the specific content.

The next section, commencing on page 20, explores the ISO, OFCOM and the Communication Alliance's guidelines (if available) on some of the elements, together with best practice examples.

On pages 32 to 34, there are summary tables showing specific detail for three aspects:

- length of time given for a customer to pay a bill before penalties are incurred;
- late payment penalties applied; and
- reconnection charge following suspension or termination.

Finally, on page 4, there is a matrix showing the Island Analysis judgement on the clarity and equity of each operator's practice with regard to a particular element having given consideration to the terms & conditions, the bill documents and the information on the operator's website.

Best Practice Matrix of Shortlisted Companies

	Bell Aliant PEI	BT	EirCom Ireland	Melita Malta	Optus Australia	Telecom NZ	Telstra Australia	UK Telecom France	Jersey Electricity	Guernsey Water	Guernsey Electricity	Sure	Jersey Telecom
It is clear if there are different charges for different payment options?	Orange	Red	Light Blue	Orange	Red	Orange	Orange	Red	Red	Orange	Orange	Orange	Orange
It is clear if different billing options incur any charges?	Orange	Red	Light Blue	Red	Red	Light Blue	Yellow	Red	Yellow	Red	Red	Orange	Light Blue
Does the supplier require a security deposit or upfront payments?	Red	Orange	Orange	Red	Red	Orange	Yellow	Red	Orange	Light Blue	Red	Red	Red
Is there a charge for switching from paper to online billing or vice versa?	Light Blue	Red	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Orange	Light Blue
When are payments generally due?	Red	Orange	Red	Orange	Orange	Orange	Orange	Red	Orange	Orange	Red	Orange	Orange
It is clear what the penalties are for late payment?	Red	Red	Red	Red	Red	Red	Red	Red	Red	Light Blue	Orange	Orange	Red
Are different customer groups charged different amounts for late payment?	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Red	Light Blue	Light Blue	Light Blue	Light Blue	Orange	Light Blue
How are the call charges and rental fees billed?	Red	Red	Red	Light Blue	Red	Light Blue	Red	Orange	Light Blue	Red	Light Blue	Red	Red
Are charges made for requesting past paper bills?	Light Blue	Yellow	Light Blue	Light Blue	Red	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Yellow
Is it clear if itemised bills are charged for, either prior to or after a billing period?	Light Blue	Light Blue	Light Blue	Light Blue	Red	Orange	Red	Light Blue	Light Blue	Light Blue	Light Blue	Orange	Orange
If a direct debit fails to be honoured, is it clear what penalties may be incurred?	Light Blue	Red	Light Blue	Red	Red	Orange	Red	Red	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Is it clear how rebates or refunds are dealt with?	Red	Light Blue	Light Blue	Light Blue	Orange	Orange	Light Blue	Red	Light Blue	Light Blue	Orange	Light Blue	Light Blue
Are there any charges for termination and/or reconnection following termination?	Red	Orange	Light Blue	Red	Red	Orange	Orange	Red	Red	Light Blue	Orange	Orange	Light Blue
Do the Terms & Conditions include data protection policies?	Red	Red	Red	Red	Red	Red	Red	Red	Red	Orange	Orange	Red	Red
Is it clear how changes to terms, services or charges are advised to the customer?	Light Blue	Red	Light Blue	Light Blue	Red	Red	Red	Red	Orange	Orange	Light Blue	Orange	Orange
Is there a clear billing dispute procedure?	Orange	Orange	Red	Orange	Red	Red	Red	Red	Red	Red	Red	Orange	Light Blue

key:

Very good Good Adequate Not Stated

Summary of Selected Terms and Conditions

1. Do the Terms & Conditions clearly state whether there are different charges for different payment options?

Bell Alliant PEI		Not in Ts&Cs, stated on bill: no charge from supplier - some financial institutions may charge
BT		Ts&Cs: £2 charge each month for anything other than DD or monthly payment plan
EirCom Ireland		No charges stated
Melita Malta		Supplier reserves the right to charge a payment charge if customer does not pay by DD [this is stated elsewhere as E3]
Optus Australia		Ts&Cs: Payment processing fee for debit, charge or credit cards – stated in standard pricing table (part of Ts&Cs): 1%. Also payment through post office will attract account processing charge of \$1.30
Telecom NZ		Not in Ts&Cs but on website: Supplier does not charge for any payment methods, but card provider may charge between 2% and 3% for one-off credit or debit card payments
Telstra Australia		Ts&Cs state that customer will be charged for paying by credit card (other than pensioners); Website states that payment is free by DD, 1% on credit cards, 2% on Diners Card
UK Telecom France		Direct Debit or Prélèvement only options
Jersey Electricity		No charge - supplier does not accept credit cards for payment
Guernsey Water		On website and on reverse of bill: payment by credit card incurs 2% surcharge (1.8% at Post Office)
Guernsey Electricity		On website: "normally" a discount of 2% for paying directly into Barclays Bank
Sure		Ts&Cs refer to website: Currently £1.50 for payment by debit or credit card, £1.20 for payment at a Post Office; from 01/09/2013 there will be a charge of £1 per month all payment types other than direct debit
Jersey Telecom		Not in Ts&Cs. Payment options on website and there are no charges for any options

2. Do the Terms & Conditions clearly state whether different billing options incur any charges?

Bell Aliant PEI		Not on Ts&Cs: no charges
BT		Paper-free billing is provided free of charge
EirCom Ireland		None stated
Melita Malta		Paper bills may be charged at E1.50 per month if the supplier has requested that the customer move to online billing
Optus Australia		Yes - paper bills may be charged paper invoice fee if online billing is available but customer chooses not to use it (A\$2.20 on standard pricing table, which forms part of the Ts&Cs)
Telecom NZ		None stated
Telstra Australia		On website: \$2 fee for paper bills for "selected plans", \$2 electronic bill fee for "selected plans"
UK Telecom France		Paper bills cost E1.50
Jersey Electricity		Not on Ts&Cs, but on website: £3 quarterly discount for e-billing
Guernsey Water		Paper bills are the only option
Guernsey Electricity		Paper bills are the only option
Sure		Ts&Cs refer to website: from 01/09/2013 there will be a charge of £1 per month for paper bills
Jersey Telecom		None stated

3. Do the Terms & Conditions clearly state whether the supplier requires a security deposit or upfront payments?

Bell Aliant PEI		Supplier may require deposit, eg if customer has no credit history and will not provide one, has unsatisfactory credit history. There are Ts&Cs regarding deposits
BT		Ts&Cs: "You may also need to pay a deposit or a payment upfront before you can receive the service or goods"
EirCom Ireland		Ts&Cs: in some cases "as may be fixed from time to time" supplier may require advance payment; on website it states that all customers, unless they pay by DD, will be asked for a deposit which will be refunded after 1 year
Melita Malta		In some cases, if the customer fails to meet terms of payment, supplier may enforce credit limits, request deposit or restrict services or payment methods
Optus Australia		Supplier may ask for pre-payment usage charge or interim good-faith payment
Telecom NZ		In some cases supplier may set credit limit or require advance payment of 12 months' worth of charges
Telstra Australia		On website: Option to make an advance payment is given to customers; new customers are asked for advance payment in some cases
UK Telecom France		Ts&Cs state: "Your first line rental invoice will include a one month deposit and payment in advance for the current month"
Jersey Electricity		Supplier may require a security deposit
Guernsey Water		None stated
Guernsey Electricity		Ts&Cs: in some circumstances (details given) a security deposit may be required; on website: if customer falls behind with payments twice in 12 month period, supplier may ask for security
Sure		Ts&Cs state that if results of credit check are not satisfactory a deposit may be required
Jersey Telecom		Ts&Cs state that the operator reserves the right to request the payment of a surety deposit from the Customer,

4. Do the Terms & Conditions clearly state whether there is a charge for *switching* from paper to online billing or vice versa?

Bell Aliant PEI		None stated
BT		No charge
EirCom Ireland		None stated
Melita Malta		None stated
Optus Australia		None stated
Telecom NZ		None stated
Telstra Australia		None stated
UK Telecom France		None stated
Jersey Electricity		Discount for online billing
Guernsey Water		Online billing not available
Guernsey Electricity		Online billing not available
Sure		Not in Ts&Cs: on website it states that by switching from online billing to paper the customer agrees to pay the monthly charge for paper bills
Jersey Telecom		None stated

5. Do the Terms & Conditions clearly state when payments are generally due?

Bell Aliant PEI		Ts&Cs: charges will be considered past due thirty days after the billing date
BT		Ts&Cs: "as soon as you receive your bill unless otherwise agreed by us"
EirCom Ireland		14 days from date of issue of account unless otherwise stated or agreed
Melita Malta		Due date on invoice
Optus Australia		Due date on invoice
Telecom NZ		By date stated on bill - customer may be able to change this by request
Telstra Australia		Due date on invoice
UK Telecom France		14 days after invoice date
Jersey Electricity		"immediately" unless agreed otherwise
Guernsey Water		On bill: within 14 days
Guernsey Electricity		21 days from date on bill
Sure		Ts&Cs: state bills are payable on demand. On website and on bill it states a particular date
Jersey Telecom		Ts&Cs state: Charges are payable in full on demand or as otherwise agreed with the Customer. On website it states that bills will not be chased until 21 days after date of posting

6. Do the Terms & Conditions clearly state what the penalties are for late payment?

Bell Aliant PEI		Ts&Cs: Late payment charges will be calculated as set out on the customer invoice. Also, possible termination of account (if bill is >\$50 or >2 months overdue). Invoice: 3% late payment charge per month
BT		£7.50 late payment charge if not paid within 10 days of reminder (7 days if pay monthly); suspension or termination after (generally) 28 days; debt collection fees if necessary
EirCom Ireland		After 14 days account may be suspended and supplier may subsequently require advance payments, after 21 days account may be terminated
Melita Malta		Maximum interest allowed by law, plus late payment charge of E2, possible termination of account (including disconnection fee of E20)
Optus Australia		Late fees are: \$15 for amounts between \$50 and \$100, \$15 plus interest of 2% above base rate for amounts >\$100; may suspend or terminate service at cost of \$35; if third party is used to collect debt, charge is 15% of outstanding amount; may be legal fees
Telecom NZ		Ts&Cs say may be charged late payment charge (specified on website but not in Ts&Cs NZ\$16 +GST) and/or interest, cost of recovering debt including legal fees and the account may be suspended, restricted or terminated (disconnection 5 days notice)
Telstra Australia		Possibility of late payment fee (\$15 for overdue balances of \$100 or more), collection agency fees, suspension or termination
UK Telecom France		May apply 1.5% per month, may suspend or terminate account - any overdue account paid by credit or debit card will attract 3% admin fee
Jersey Electricity		If charges are outstanding for 28 days, supplier may terminate service and charge termination fee
Guernsey Water		Not stated
Guernsey Electricity		On website: reminder after 7 days (day 28), representative sent to address on day 42, notice of disconnection; possible installation of prepayment meter
Sure		Ts&Cs refer to website. On website it states late payment charge of £7.50 for residential customers, possibility of disconnection and possibility of third party debt collection agency fees
Jersey Telecom		Ts&Cs state that operator reserves right to charge interest on payments which are 30 days overdue of 3% above UK base rate. Also contract may be terminated if customer fails to pay, when due, any sum payable

7. Do the Terms & Conditions clearly state whether different customer groups charged different amounts for late payment?

Bell Aliant PEI		None stated
BT		None stated
EirCom Ireland		None stated
Melita Malta		None stated
Optus Australia		Different charges for outstanding amounts >\$100
Telecom NZ		None stated
Telstra Australia		Website: same for residential and business customers
UK Telecom France		None stated
Jersey Electricity		None stated
Guernsey Water		None stated
Guernsey Electricity		None stated
Sure		On website: residential £7.50, SMEs £15, Corporate £75
Jersey Telecom		None stated

8. Do the Terms & Conditions clearly state how the call charges and rental fees are billed?

Bell Aliant PEI		Ts&Cs: Telephone service shall be billed in arrears
BT		Rental charges in advance, usage in arrears
EirCom Ireland		Rental charges in advance
Melita Malta		Not stated
Optus Australia		Recurring charges in advance
Telecom NZ		Not stated
Telstra Australia		Regular charges in advance, usage in arrears
UK Telecom France		Depending on the particular service provided, payment may be required in advance or collected in arrears
Jersey Electricity		N/A
Guernsey Water		All in arrears
Guernsey Electricity		N/A
Sure		Rental charges in advance
Jersey Telecom		Rental charges in advance

9. Do the Terms & Conditions clearly state whether charges are made for requesting past paper bills?

Bell Aliant PEI		Not stated
BT		Not in Ts&Cs, but on website: £4.80 for each bill (online account holders can view past 6 months free)
EirCom Ireland		Not stated
Melita Malta		Not stated
Optus Australia		\$5.50 on standard pricing table, which forms part of the Ts&Cs
Telecom NZ		Not in Ts&Cs, but on website: Yes, NZ\$5.11 per monthly bill requested (free online bills for last 18 months)
Telstra Australia		Not stated
UK Telecom France		Not stated
Jersey Electricity		Not stated
Guernsey Water		Not stated
Guernsey Electricity		Not stated
Sure		Not stated
Jersey Telecom		Not in Ts&Cs. On website it states that there will be a charge of £5 for copies of past bills

10. Do the Terms & Conditions clearly state whether itemised bills are charged for, either prior to or after a billing period?

Bell Aliant PEI		Not stated
BT		Not stated
EirCom Ireland		Not stated
Melita Malta		Not stated
Optus Australia		If previously advised that customer requires itemised paper bills, no additional charge for itemising, if not only summary will appear on paper and full itemisation online (if online billing is available to customer)
Telecom NZ		Bills are itemised - does not appear to be charged for
Telstra Australia		If detailed information on Basic Telephone Service is requested, charges may be made for certain information varying from 1.1 cents per record to \$3.30 for a paper itemised bill to \$5.50 for a one-off itemised statement
UK Telecom France		Not stated
Jersey Electricity		N/A
Guernsey Water		N/A
Guernsey Electricity		N/A
Sure		Not in Ts&Cs. On website it states that future itemised billing is free upon request and that a £5 admin charge will be made for one-off requests
Jersey Telecom		Not in Ts&Cs. On website it states that itemised billing is available free of charge online or at a cost of £1.50 per month for paper bills

11. If a direct debit fails to be honoured, do the Terms & Conditions clearly state what penalties may be incurred?

Bell Aliant PEI		Not stated
BT		Ts&Cs: £10
EirCom Ireland		Not stated
Melita Malta		€12 on schedule of charges, which forms part of the Ts&Cs
Optus Australia		\$22 plus bank charges (on standard pricing table, part of Ts&Cs)
Telecom NZ		Bank may charge late fee and supplier may charge late payment fee
Telstra Australia		Ts&Cs: "If you pay a bill by cheque and the cheque is dishonoured, you must also pay us a fee of \$15.00. If you pay a bill by direct debit and there are insufficient funds in the account, you must also pay us a fee of \$10.00. These fees do not attract GST."
UK Telecom France		€20 for each attempt
Jersey Electricity		Not stated
Guernsey Water		Not stated
Guernsey Electricity		Not stated
Sure		Not stated
Jersey Telecoms		Not stated

12. Do the Terms & Conditions clearly state how rebates or refunds are dealt with?

Bell Aliant PEI		Ts&Cs: recurring charges will be credited within legal timescales if disputed within 1 year, non-recurring charges will be credited if disputed within 150 days - amounts will include interest
BT		Not stated
EirCom Ireland		Not stated
Melita Malta		Not stated
Optus Australia		Customer account will be credited
Telecom NZ		Customer should call to advise of preferred method of refund (eg cheque, bank transfer)
Telstra Australia		Not stated (refunds of credit balances are paid by cheque upon request - may take 5-7 weeks)
UK Telecom France		Ts&Cs: "We undertake to repay you within 30 days after examination of your complaint by way of a credit on your next invoice, if the complaint is found to be valid"
Jersey Electricity		Not stated
Guernsey Water		Not stated
Guernsey Electricity		On website: refund anything above standard credit limit of £20 (with regular payment options)
Sure		Not stated
Jersey Telecom		Not stated

13. Do the Terms & Conditions clearly state whether there are any charges for termination and/or reconnection following termination?

Bell Aliant PEI		Ts&Cs: Reconnection fees apply unless account was terminated by supplier error
BT		Not in Ts&Cs, but on website: £12 to lift partial restrictions, £18 to lift complete restrictions, £26 to reconnect terminated line
EirCom Ireland		€23.43 incl VAT reconnection following suspension or termination
Melita Malta		Disconnection charge of E20, reconnection charge of E20 (schedule of charges)
Optus Australia		Yes, \$35 termination, \$55 reconnection (standard pricing table)
Telecom NZ		Reconnection fee - amount not stated
Telstra Australia		Ts&Cs state that customer will be charged a reconnection fee: Website states the amount of \$59 (incl GST)
UK Telecom France		Removal of suspension fee of E20
Jersey Electricity		Customer must pay expenses incurred in terminating and reconnecting services
Guernsey Water		Not stated
Guernsey Electricity		On website: Reconnection fee
Sure		Not in Ts&Cs, but on website: £30 reconnection charge
Jersey Telecom		Not stated

14. Do the Terms & Conditions include data protection policies?

Bell Aliant PEI		Yes
BT		Yes
EirCom Ireland		Yes
Melita Malta		Yes
Optus Australia		Yes
Telecom NZ		Yes
Telstra Australia		Yes
UK Telecom France		Yes
Jersey Electricity		Yes
Guernsey Water		Privacy Policy on website
Guernsey Electricity		Privacy Statement on website
UK Telecom France		Yes
Jersey Electricity		Yes

15. Do the Terms & Conditions clearly state how changes to terms, services or charges are advised to the customer?

Bell Aliant PEI		Not stated (other than "Bell Aliant reserves the right to make changes to the Terms of Service for non-tariffed services")
BT		At least one month before (unless legally or otherwise obliged to make immediate changes) in writing
EirCom Ireland		Not stated
Melita Malta		Not stated
Optus Australia		Yes - email, in person, in writing, with bill, on website, in retail outlets, by text, with 21 days' notice and 42 days cancellation terms
Telecom NZ		Yes - either by email or in writing (probably with the bill) or SNS or by putting notice in major daily newspaper, at least one month in advance
Telstra Australia		Yes - if it affects the customer and change is not required immediately by law or other reasons, supplier will give either 14 (for minimum impact changes) or 30 (major impact changes) days' notice
UK Telecom France		30 days before changes are made, by email or postal address and on website
Jersey Electricity		Supplier will "take reasonable steps to tell you within a reasonable timescale"
Guernsey Water		Supplier will keep customer informed "by the most appropriate means"
Guernsey Electricity		Not stated
Sure		Ts&Cs: at any time but if to customer's detriment then option to terminate is given - details of change will appear on website
Jersey Telecom		Ts&Cs: notices given in writing; changes to conditions and product descriptions will be published online and at the operator's premises

ISO, OFCOM and the Communication Alliance's guidelines on some of the elements, together with best practice examples

1. Do the Terms & Conditions clearly state whether there are different charges for different payment options?

International Organisation for Standardisation ISO 14452

For each product/service provided customers shall be provided at the outset with clear details of any additional charges associated with specific billing or payment options

OFCOM

As a matter of best practice, Ofcom also considers that it is also important that:

- bills should clearly detail the level of any non-direct debit charges as a separate line item; and
- bills should also provide information about alternative payment methods

Communication Alliance Australia C628:2012

The Supplier must offer at least one method of payment for its Telecommunications Products that is free of charges imposed by the Supplier; Billing information must be provided through one medium free of charge (e.g. via the Supplier's website or a Customer portal) for the period of up to 24 months prior to the date the Billing information request is received by the Supplier; For information requested which is older than 24 months and up to six years from the date the Customer request is received by the Supplier, the Supplier may impose a Charge for the provision of this information

Best Practice examples

BT, UK

You agree that unless you pay your bill by direct debit or monthly payment plan, you will pay a fee of £2.00 per month, if you pay your bills monthly, or £6.00 per quarter, if you pay quarterly, for payment collection and processing services. You agree to make the payment in the same manner and at the same time as you pay your bill.

Melita, Malta

Payments are to be made via Direct Debit Mandate. Should the Customer decide to pay using alternative methods Melita reserves the right to charge a Payment Charge as per Schedule of Charges (€3).

Guernsey Water - stated on reverse of bill

Payment by credit card incurs 2% surcharge (or 1.8% at a Post Office)

2. Do the Terms & Conditions clearly state whether there are different charges for different billing options?

International Organisation for Standardisation ISO 14452

For each product/service provided customers shall be provided at the outset with clear details of any additional charges associated with specific billing or payment options.

OFCOM

Suppliers incur costs providing consumers with paper bills. In our view, it is reasonable for suppliers to recover those costs. However, this charge should be set fairly and in our view should only seek to recover the costs incurred in providing the bill. We do not think suppliers should charge customers more than £1.50 per paper bill.

Communication Alliance Australia C628:2012

A Supplier must offer its Customers the ability to receive a Bill and any Billing information in a Bill Media that the Customer is able to store and reproduce. Bill Media options may include, but are not limited to, any one or more of the following Bill Media:

- paper form sent by regular post;
- email; or
- online.

If a Supplier proposes to change its Bill Media, it must inform the Customer of:

- the proposed change to the Bill Media; and
- any options open to the Customer in relation to that change.

Prior to levying any Charge for the issue of a Bill in additional Bill Media; or in Bill Media different from the Supplier's usual Bill Media for that Customer in addition to complying with clause 5.6.1, the Supplier must inform the Customer of the amount of the Charge and its method of calculation.

Best Practice examples

Melita, Malta

We reserve the right to shift our customers to an electronic invoicing system, subject to giving you reasonable prior notice. Should you then request to retain your paper bill, you may be charged a Paper Bill Charge as per Schedule of Charges (€1.50 per month).

Optus, Australia

If we have advised you that My Account online bill is available to you, and you choose to continue to receive a paper bill posted to you, we will, unless specifically stated otherwise in your pricing table, charge you the paper invoice fee (A\$2.20).

3. Do the Terms & Conditions clearly state whether the supplier requires a security deposit or upfront payments?

Communication Alliance Australia C628:2012

In the event that a Security Deposit is required by a Supplier, the Supplier must provide the Consumer with information about the terms of that Security Deposit, including the circumstances in which the Security Deposit may accrue interest, be forfeited or be repaid.

Best Practice example

Bell, Aliant, Prince Edward Island

Except otherwise stipulated in its tariffs, Bell Aliant cannot require deposits from an applicant or customer at any time unless the applicant or customer:

- has no credit history with Bell Aliant and will not provide satisfactory credit information;
- has an unsatisfactory credit rating with Bell Aliant due to payment practices in the previous two years regarding Bell Aliant services; or
- clearly presents an abnormal risk of loss.

Bell Aliant must inform the applicant or customer of the specific reason for requiring a deposit, and of the possibility of providing an alternative to a deposit, such as arranging for third party payment, a bank letter of credit or a written guarantee from a third person whose credit is established to the satisfaction of Bell Aliant.

An applicant or customer may provide an alternative to a deposit provided it is reasonable in the circumstances. The total amount of all deposits and alternatives provided by or for an applicant or customer may not at any time exceed three months' charges for all services, including anticipated long distance charges. Deposits earn interest in accordance with the applicable provisions of Bell Aliant's tariffs. Whenever Bell Aliant holds a deposit it must indicate the following on that customer's monthly account:

- that a deposit is being held by Bell Aliant in connection with the customer's account; and
- a telephone number of a Bell Aliant representative to whom any enquiries regarding the deposit may be directed.

At least once per year, Bell Aliant must also indicate on that customer's account the total amount of deposits held as well as the total interest accrued on the deposits. Bell Aliant must review the continued appropriateness of deposits and alternative arrangements at six month intervals or sooner upon customer request.

When service is terminated or the conditions which originally justified them are no longer present, Bell Aliant must promptly refund the deposit, with interest, or return the guarantee or other written undertaking, retaining only any amount then owed to it by the customer.

4. Do the Terms & Conditions clearly state when payments are due?

International Organisation for Standardisation ISO 14452

The payment due date should be at least 10 days after the date on which the bill is issued.

Communication Alliance Australia C628:2012

A Supplier must include in each Bill it issues, at least:

- the current due date for the Billed Charges and the due date for any outstanding amount

Best Practice examples

Bell Aliant, Prince Edward Island

Charges will be considered past due thirty days after the billing date.

Eircom, Ireland

Payment shall be due within 14 days from date of issue of account unless otherwise stated or agreed.

UK Telecom, France

14 days after invoice date

Guernsey Electricity - stated on bill

21 days from the date on the bill

Guernsey Water - stated on bill

Within 14 days

Manx Telecom

Within 30 days of receiving bill

5. Do the Terms & Conditions clearly state what the penalties are for late payment?

International Organisation for Standardisation ISO 14452

A clear documented policy shall be established for dealing with instances of non-payment of bills. This shall include provision of a reminder, a copy of the bill if requested, disconnection warning notices and, wherever practical, direct contact with the customer, prior to any disconnection or restriction of supply.

OFCOM

As a matter of best practice, Ofcom also considers it is important that suppliers make it very clear to consumers what the late payment charge is in advance of the consumer incurring the charge (i.e. at the point where the consumer can still avoid the charge). For example, we would expect any red bill, or reminder call, to provide this information.

Where the Communications Provider's Subscriber has not paid the Communications Provider all or part of a bill for Publicly Available Telephone Services provided by the Communications Provider, any measures taken by the Communications Provider to effect payment or disconnection shall:

- be proportionate and not unduly discriminatory;
- give due warning to the Subscriber beforehand of any consequent service interruption or disconnection; and
- except in cases of fraud, persistent late payment or non-payment, confine any service interruption to the service concerned, as far as technically feasible.

Best Practice examples

Optus, Australia

If you do not pay all amounts you owe us by the date the payment is due, we may charge you a late fee of:

- For amounts more than \$50 but less than \$100: \$15 (no GST payable);
- For amounts of \$100 or more: \$15 plus 2% above the prime lending rate charged to us by the ANZ Bank calculated daily on the unpaid amount above \$100 (including any late fees already incurred).

If we engage a mercantile agent, we may charge you a recovery fee of 15% of the outstanding amount. If we suspend the service because you have not paid all amounts you owe us, we may charge you a fee of \$35.

UK Telecom, France

We reserve the right to apply an interest charge to sums that remain unpaid after their due date. This interest is calculated at the rate of 1.5% per month or the maximum allowed by law. Please note that any payment for an outstanding bill by credit or debit card is subject to a 3% administration fee.

In the event of non-payment within 14 days of the due date we may suspend, cancel or terminate your services. After 21 days we reserve the right to cancel all services and apply any termination fees due under the conditions that apply to those services.

6. Do the Terms & Conditions clearly state whether itemised bills are charged for?

International Organisation for Standardisation ISO 14452

In response to a request from a customer, information on billing and prices shall be provided without charge, including further information on individual items appearing on the bill in the current or two previous billing periods.

A charge shall not be levied for the provision of information required to resolve a bona fide billing dispute in relation to the current or previous billing periods. Where a charge is levied, the fee shall be limited to the reasonable cost of providing that information and the customer shall be informed of the fee in advance.

OFCOM

As a matter of best practice, Ofcom also considers it is important that bills should clearly detail the level of any itemised or paper billing charges as a separate line item.

The Communications Provider shall provide to each of its Subscribers, on request, and either at no extra charge or for a reasonable fee, a basic level of itemised billing.

The Communications Provider shall ensure that each itemised bill shows a sufficient level of detail to allow the Subscriber to:

- verify and control the charges incurred by the Subscriber in using a Public Communications Network and/or related Publicly Available Telephone Services; and
- adequately monitor the Subscriber's usage and expenditure and thereby exercise a reasonable degree of control over their bills.

Ofcom may from time to time direct the minimum level of itemisation to be provided by the Communications.

The Communications Provider shall ensure that calls which are made from a Subscriber's telephone which are free of charge to that Subscriber, including calls to helplines, shall not be identified in the Subscriber's itemised bill.

The Communications Provider shall not be subject to this Condition in respect of any Subscriber where:

- it provides Publicly Available Telephone Services to the Subscriber on a pre-paid basis; and
- the Subscriber has an alternative means, free of charge, of adequately monitoring the Subscriber's usage and expenditure.

Best Practice examples

Telstra, Australia

We may charge you the following for itemised local calls:

- For each paper bill - ongoing (for customers on monthly, bi-monthly or quarterly billing with up to 20 services on each bill) \$3.00 plus GST;
- For each call record via the Enhanced Billing Service - ongoing \$0.01 plus GST;
- For each call record via the Online Billing Service - ongoing \$0.00;
- Once off local calls details statement (per statement) \$5.00 plus GST

7. If a direct debit fails to be honoured, do the Terms & Conditions clearly state what penalties may be incurred?

Best Practice examples

UK Telecom, France

Where an attempt to collect payment against an invoice via a Direct Debit or Prélèvement fails UK Telecom incurs substantial bank charges. We therefore make a charge to cover the costs that we have incurred for reasons that are the responsibility of our customers. There is a standard 20.00€ charge for each failed attempt to collect money properly invoiced.

Melita, Malta

Any cheque or direct debit that is cancelled or not cleared by your bank shall be subject to a Cheque Default Charge or Direct Debit Default Charge as applicable, as stipulated in the Schedule of Charges (€12).

Telstra, Australia

If you pay a bill by cheque and the cheque is dishonoured, you must also pay us a fee of \$15.00. If you pay a bill by direct debit and there are insufficient funds in the account, you must also pay us a fee of \$10.00. These fees do not attract GST.

BT, UK

We may also charge you £10 by way of compensation to us for any direct debit or cheque payments which are returned to us because you do not have enough funds in your account.

8. Do the Terms & Conditions clearly state how rebates or refunds are dealt with?

International Organisation for Standardisation ISO 14452

Clear policies shall be established, and made publicly available, as to what will happen if there is an overpayment or underpayment, including the following:

- publishing a contact number for access to staff who have the capacity, the skill and the authority to resolve the issue;
- the procedures and conditions governing refund or credit, where overcharging has occurred, incorporating a statement as to the period by which any such refund or credit will be effected:
 - in the case of a refund, this period shall be not more than 10 working days from the date of agreement that a refund will be made;
 - in the case of a credit, it shall appear on the next bill or shall be credited to prepaid accounts with notice given to the customer;
- the opportunity to pay the amount owing over a period at least equal to that in which any undercharging took place, unless the undercharge has arisen because the customer was at fault for not allowing access to read the meter: where a customer's circumstances affecting the ability to pay are made known to the supplier, these shall be taken into account when arranging the repayment period.

Best Practice examples

Bell Aliant, Prince Edward Island

In the case of a recurring charge that should not have been billed or that was overbilled, a customer must be credited with the excess back to the date of the error subject to applicable limitation periods provided by law.

However, a customer who does not dispute a bill within one year of the date of a detailed statement which shows that charge correctly loses the right to have the excess credited for the period prior to that statement. Non-recurring charges that should not have been billed or that were overbilled must be credited, provided that the customer disputes them within 150 days of the date of the bill.

A customer who is credited with any amount that should not have been billed or that was overbilled must also be credited with interest on that amount at the rate payable for interest on deposits that applied during the period in question.

UK Telecom, France

Any complaint about your invoice must reach us within 10 days. After that the invoice will be considered as accepted. We undertake to repay you within 30 days after examination of your complaint by way of a credit on your next invoice, if the complaint is found to be valid.

9. Do the Terms & Conditions clearly state whether there are any charges for termination and/or reconnection following termination?

International Organisation for Standardisation ISO 14452

A clear documented policy shall be established for dealing with instances of non-payment of bills. This shall include provision of a reminder, a copy of the bill if requested, disconnection warning notices and, wherever practical, direct contact with the customer, prior to any disconnection or restriction of supply.

All other charges and taxes, including any one-off charges applicable to the bill, e.g. connection charges or termination fees should appear on the bill.

Communication Alliance Australia C628:2012

Suppliers must ensure Customers are given adequate notice regarding a decision by the Supplier to Restrict, Suspend or disconnect their Telecommunications Service for credit and/or debt management reasons.

Best Practice examples

Melita, Malta

Any Customer who has had his Agreement terminated or disconnected and who wishes to restore his Services has to pay any outstanding amounts in his name as well as a Reconnection charge as stipulated in the Schedule of Charges (€20)

Telstra, Australia

If you ask us to reconnect your service following your suspension for failing to pay an account, you may have to pay us a reconnection fee. The amount of the reconnection fee is A\$59 (incl GST).

10. Do the Terms & Conditions state clearly how changes to terms, services or charges are advised to the customer?

International Organisation for Standardisation ISO 14452

Changes of a significant nature shall be notified to individual customers prior to implementation, and confirmed in the next bill after the change.

NOTE: A significant change is any change which impacts on previously notified prices, rebates, concessions, payment terms or the level of service provided.

Best Practice examples

Optus, Australia

We can make any type of change to a fixed length agreement or a non-fixed length agreement if:

- the change will benefit or will not adversely affect you;
- you agree to the change; or
- we reasonably expect the change to adversely affect you and give you reasonable notice of the change on fair terms and in writing:

We will give you 21 days' notice in writing of the change before the change occurs and offer you the right to cancel the service within 42 days from the date of our notice in writing. This can be in person, by mail, by email, by bill message or bill insert or, in some circumstances, by making the information available on our website or at retail outlets and informing you (in person, recorded message, text or in writing) of how to obtain the information.

Telecom New Zealand

We may alter our Services from time to time. If we alter our Services in a way that materially reduces the Service offering currently received by you, we will provide you a minimum of 10 working days' notice, and wherever possible, one month's notice, of such alterations. We will tell you about any such alterations by emailing or writing to you and by publishing the change on our website.

UK Telecom, France

We reserve the right to change our terms and conditions when necessary due to the continually evolving nature of our business. All customers will receive notice of a change either by email to the address they have provided or as a notice included with their monthly invoice. Customers will receive 30 days' notice of any change.

We will also publish any new charges on our web site: www.uktelecom.net. It is the customers' responsibility to read and understand these changes when they occur. These new charges will apply to any new services ordered from the date of publication. Your continued use of the services we provide shall constitute your acceptance of these new charges or conditions.

Specific data relating to payment terms, late payment penalties and reconnection fees

	What is the length of time a customer is given to pay a bill before incurring penalties?
Bell Aliant PEI	30 days after billing date
BT	As soon as bill is received unless otherwise agreed
EirCom Ireland	14 days from date of issue unless otherwise agreed
Melita Malta	Due date on invoice – unable to clarify
Optus Australia	Due date on invoice – 14 days from invoice date
Telecom NZ	Due date on invoice - appears to be 17 days
Telstra Australia	Due date on invoice
UK Telecom France	14 days from invoice date
Jersey Electricity	Immediately unless otherwise agreed
Guernsey Water	14 days
Guernsey Electricity	21 days
Sure	Due on demand, due date specified on bill
Jersey Telecom	Due on demand or as otherwise agreed – will not be chased up until 21 days after being posted
Siminn Iceland	20th of month following invoice date
Manx Telecom	30 days after receipt of bill
Free France	15 days

	What are the late payment penalties?
Bell Aliant PEI	3% interest per month. Also, possible termination of account (if bill is >\$50 or >2 months overdue)
BT	£7.50 late payment charge if not paid within 10 days of reminder (7 days if pay monthly); suspension or termination after (generally) 28 days; debt collection fees if necessary
EirCom Ireland	After 14 days account may be suspended and supplier may subsequently require advance payments, after 21 days account may be terminated
Melita Malta	Interest payable of maximum allowed by law, plus late payment charge of E2, possible termination of account (including disconnection fee of E20)
Optus Australia	Late fees are: \$15 for amounts between \$50 and \$100, \$15 plus interest of 2% above base rate for amounts >\$100; may suspend or terminate service at cost of \$35; if third party is used to collect debt, charge is 15% of outstanding amount; may be legal fees
Telecom NZ	Late payment charge of NZ\$16 +GST and/or interest, cost of recovering debt including legal fees and the account may be suspended, restricted or terminated
Telstra Australia	Late payment fee (\$15 for overdue balances of \$100 or more), collection agency fees, suspension or termination
UK Telecom France	May apply 1.5% per month, may suspend or terminate account - any overdue account paid by credit or debit card will attract 3% admin fee
Jersey Electricity	If charges are outstanding for 28 days, supplier may terminate service and charge termination fee
Guernsey Water	Not stated
Guernsey Electricity	Reminder sent after 7 days (day 28), representative sent to address on day 42, notice of disconnection; possible installation of prepayment meter
Sure	£7.50 late payment charge, may terminate account and may charge for third party collection
Jersey Telecom	Reserve right to charge interest on payments 30 days overdue of 3% above UK base rate

Manx Telecom	Reminder specifying final date, may be charged late payment fee after that followed by disconnection. May also use debt-collection agency.
BTC Bermuda	A Customer who does not pay his or her bill by the due date specified on the bill will be subject to a late fee. Customers who fail to pay for two consecutive billing periods will be subject to service disconnection with a Charge imposed for reconnection
Virgin Media	You will be liable for interest or other charges. You may lose any discount we have given you. We will also suspend or cancel the services and charge you the costs of debt-recovery proceedings to recover any debt you owe under this agreement.
Free France	Interest on money owed has interest applied of three times the base rate (minimum charge E7.50) with possible third party recovery fees of E40 and possible suspension or termination
Ziggo Holland	Supplier will send a reminder, and if still not paid will charge interest from the original lapse date; third party recovery costs may be at least 15% of the amount due; suspension or termination are possible

	What is the reconnection charge following suspension or termination?
Bell Aliant PEI	Reconnection fees apply unless account was terminated by supplier error (fee unstated)
BT	£12 to lift partial restrictions, £18 to lift complete restrictions, £26 to reconnect terminated line
EirCom Ireland	E23.43 including VAT
Melita Malta	Disconnection charge of E20, reconnection charge of E20
Optus Australia	\$35 termination, \$55 reconnection
Telecom NZ	Reconnection fee NZ\$63
Telstra Australia	Reconnection fee of \$59 (incl. GST)
UK Telecom France	Removal of Suspension fee of E20
Jersey Electricity	Customer must pay expenses incurred in terminating and reconnecting services
Guernsey Water	Not stated
Guernsey Electricity	Reconnection fee unstated
Sure	£30
Jersey Telecom	Not stated
Siminn Iceland	Reconnection fee unstated
BTC Bermuda	Reconnection fee unstated
Virgin Media	Reconnection fee unstated

Best Practice in Billing and Payment Collection

This table shows which operators, in the opinion of Island Analysis, have best practice in selected aspects of their billing and payment procedures. Best practice, in this instance, is a combination of clarity of data and deemed equity to the customer.

In this table, the information found in the terms & conditions, on the bills and on the operator's websites has been used.

	Very Good		Good		Adequate		Not Stated
Different charges for different billing options	Bell Aliant, BT	no charges for any billing options	Melita, Optus	If operator requested that customer move to online billing but customer chooses to retain paper billing, a charge is made	Telstra	Paper bills for certain plans incur billing charges	Eircom, Telecom New Zealand, Jersey Telecom
	Jersey Electricity	Discount for online billing			UK Telecom, Sure	Paper bills incur a charge (Sure: from 01/09/13)	
			Guernsey Water, Guernsey Electricity	Paper billing is the only option			
Different charges for different payment options	Jersey Telecom	No charges for any payment options	Optus, Telecom New Zealand, Telstra, Guernsey Water	Charges for credit card payment	UK Telecom	Direct debit is the only option	Eircom
	Bell Aliant	Operator imposes no charges but there may be charges from financial companies			Jersey Electricity	Credit cards are not accepted	
	Guernsey Electricity	Discount for paying directly into operator's bank			BT, Melita, Optus, Sure	Charges for anything other than direct debit payment	
Charges for requesting past paper bills					BT, Optus, Telecom New Zealand, Jersey Telecom	All charge approximately the same (£4.80, A\$5.50, NZ\$5.11, £5.00)	Bell Aliant, Eircom, Melita, Telstra, UK Telecom, Jersey Electricity, Guernsey Water, Guernsey Electricity, Sure

	Very Good		Good		Adequate		Not Stated
Length of time given for payment	Bell Aliant	30 days after billing date	Eircom, UK Telecom	14 days from issue of account	Melita, Optus, Telecom New Zealand, Telstra, Sure	As stated on invoice	
	Jersey Telecom	21 days after posting	Guernsey Water	Within 14 days	BT, Jersey Electricity	Immediately unless otherwise agreed	
	Guernsey Electricity	21 days after billing date					
Penalties for direct debit refusal			BT	£10	Optus	A\$ 22 plus bank charges	Bell Aliant, Eircom, Jersey Electricity, Guernsey Water, Guernsey Electricity, Sure, Jersey Telecom
			Melita	Eur 12	UK Telecom	Eur 20	
			Telstra	A\$ 10			
Charges for itemised billing	Telecom New Zealand	Bills are itemised	Optus, Sure	Free of charge if requested prior to bill being produced [Sure: £5 for one-off request]	Jersey Telecom	Free of charge online or £1.50 per month on paper bills	Bell Aliant, BT, Eircom, Melita, UK Telecom
			Telstra	Charges may be made for some itemisation up to A\$5.50 for one-off request			

		Very Good	Good		Adequate		Not Stated
Penalties for late payment	Guernsey Electricity	long period of notice before possible termination or installation of meter	Bell Aliant	3% interest per month plus possible termination	Melita	Interest charged at maximum allowed plus late fee plus possible disconnection fee	Guernsey Water
	Eircom	Possibility of account suspension or termination	BT, Sure	£7.50 late fee, possible suspension or termination, possible debt collection fees	Optus	Late fee plus interest , possible suspension fee, third party debt collection fees	
			UK Telecom	1.5% interest per month plus possible suspension or termination	Telecom New Zealand	Late fee plus interest , possible suspension, third party debt collection fees	
			Jersey Electricity	Possible termination with termination fee			
			Jersey Telecom	Interest of 3% above UK base rate plus possible termination			

	Very Good		Good		Adequate		Not Stated
Reconnection charges following termination			BT	£12 to lift partial restriction, £18 to lift full restriction, £26 to reconnect terminated line	Jersey Electricity	Customers must pay expenses incurred	Guernsey Water, Jersey Telecom
			Eircom, UK Telecom	Eur 23 (Eircom) or Eur 20 (UK Telecom)	Bell Aliant, Guernsey Electricity	Reconnection fees apply but amount not stated	
			Melita	Disconnection charge Eur 20, reconnection charge Eur 20			
			Optus	Disconnection charge A\$ 35, reconnection charge A\$ 55			
			Telecom New Zealand	Reconnection charge NZ\$ 63			
			Telstra	Reconnection charge A\$ 59			
			Sure	£30 reconnection charge			
Notification of changes to terms & conditions	BT	At least one month before changes in writing (unless legally required otherwise)	Telstra	Operator will give either 14 or 30 days notice depending on severity of change	Jersey Electricity	Operator will take reasonable steps within a reasonable timescale	Bell Aliant, Eircom, Melita, Guernsey Electricity
	Optus	Many options including in writing, by email, with bill, giving 21 days notice	Jersey Telecom	Notices in writing, changes to product descriptions online and in premises	Guernsey Water	Operator will keep customer informed by the most appropriate means	
	Telecom New Zealand	By email or in writing or with bill at least one month in advance			Sure	Details will appear on the website. Customer is given option to terminate	
	UK Telecom	In writing or by email and on website, 30 days in advance					

Conclusions

The terms and conditions of various telecom operators from different parts of the world were examined and a shortlist was drawn up of those Ts&Cs which either had greater detail or were easiest to understand.

Of those shortlisted, it was concluded that the most comprehensive terms and conditions were to be found at:

- Bell Aliant in Prince Edward Island,
- BT in the UK,
- Melita in Malta,
- Optus Australia
- Telstra Australia
- UK Telecom operating in France. and

The UK Telecom Ts&Cs in particular were written in plain English and were considered easiest to understand from a consumer perspective.

The operators in Australia had the greatest amount of detail in their terms and conditions and Bell Aliant, BT and Melita showed great detail in many areas.

The selected operators were a mix of incumbents (Bell Aliant, Telstra, BT) and new entrants (Optus, UK Telecom and Melita). The operators held a range of market shares in their respective regions, including: Telstra 60%, Melita 28%, Optus 20% and Bell Aliant 53%.

No judgement was made on the fairness of the terms and conditions but was purely on ease of understanding, clarity and level of detail.