

Consumer Protection and Universal Access In Telecom

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Dr.Hisham Tahat
Legal and Regulatory Expert



Outline of the presentation

- 1. Consumer Protection in Telecom Legal Framework?**
- 2. Licensing provisions and Consumer Protection**
- 3. Consumer’s Rights in Price , Choice and Quality**
- 4. Consumer’s Privacy rights**
- 5. Consumer’s complaints Process**
- 6. Conclusions.**

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3. **Consumer’s Rights in Price , Choice and Quality**
4. **Consumer’s Privacy rights**
5. **Consumer’s complaints Process**
6. **Conclusions.**

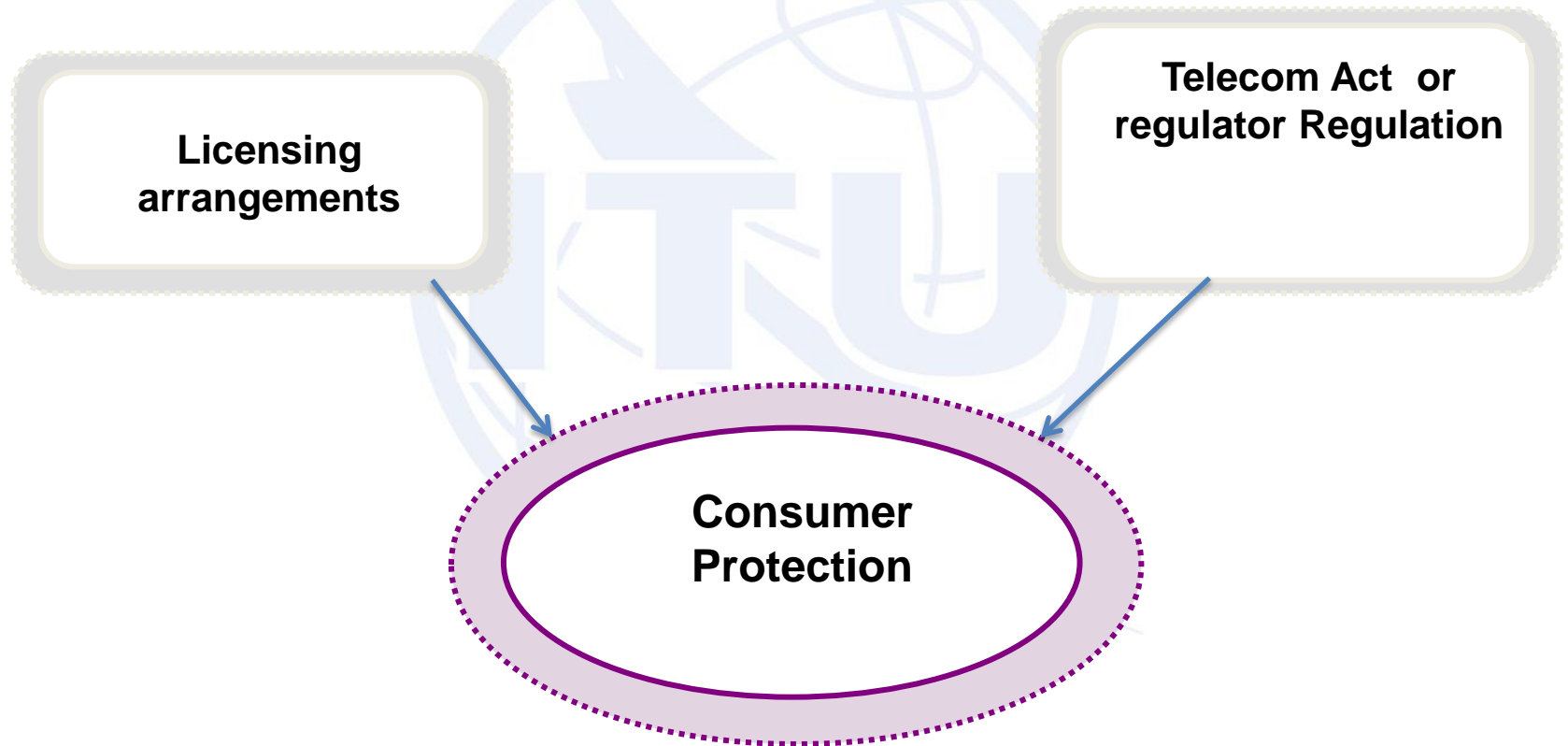
1. Consumer Protection in Telecom Legal Framework?

- **Generally speaking, consumer protection measures will be imposed either by a telecom act or through licensing arrangements.**

The Legal Framework

- **Provisions in the Telecom legal framework:**
 - **Consumer protection provisions are spread in different telecom legislations:**
 - 1- The Telecommunications Act in a number of places, e.g., confidentiality of consumer information, competitive safeguards, "fair and reasonable" prices to consumers.**
 - 2- Telecom License. E.g. Different conditions oblige the operator to protect consumers.**
 - 3- NRA's Regulations: Carrier Selection ,Billing Accuracy , Number Portability and Quality of service.**

The Legal Framework



2- Licensing Provisions and Consumer Protection



1- Licenses Aim to establishing a framework which safeguards the interests of consumers

Licenses include conditions which seek to establish a ‘level playing field’ for competition, limiting the ability of incumbent providers to abuse their dominant position in a way which is detrimental to consumers.

Why do we rely on competition to achieve consumer protection goals or outcomes? : because ,Competition achieve the following goals.

Reduce prices and reduce costs

More choice to consumer

Invest to achieve better quality

Contribute to greater economic welfare - consumer surplus



2- Licenses Aim to establishing a framework which safeguards the interests of consumers

Also, In most cases issues related to quality of service , standard service agreements, provision of **terms dealing provisions are often included in licences.**

- These conditions tend to relate to matters such as **price regulation ,quality of service standards ,and mandatory services that must be provided to consumers .**
e.g. directory services, operator assistance and emergency services.
- However , regulators especially who apply the uniform licenses approach **tend to set out all these issues in the way of regulations rather than through the licensing process.**



3-Standard Service Agreement

- **Before entering into agreement with the provide a standard service agreement**
 - **–Regulations contain minimum standards for relations between service providers and consumers**
 - **–A service provider may institute a standard service agreement, but it must contain the minimum standards –**
 - **NRA approval required**
 - **NRA’s should ensure that the standard service agreement between the operator and consumer is fair in terms and conditions and it does not abuse consumer’s rights with respect to :**
 - **Availability of services**
 - **billing and payment**
 - **Quality of services**
 - **Dispute resolution**

3. Consumer’s protection Measurers in NRA’s Legal Framework

Introduce Obligations on the operator to
protect consumer with respect to :

1- Price

2- Choice

3- Quality of Services

Consumer Protection measures in the NRA’s legal framework

1- Choice

Carrier Selection & Carrier PreSelection

- *A well-defined carrier selection scheme is a key enabler for effective competition in a liberalized telecommunications environment. Carrier Selection (CS) and Carrier Pre-Selection (CPS) enables consumers to avail themselves of telecommunications services best suited to their specific needs, particularly in terms of price and quality. The existence of such services also brings pressure on incumbent operators to lower prices, reduce their cost base and introduce new services more quickly, thus bringing the benefits of competition to all consumers.*

Consumer Protection measures in the NRA’s legal framework

Choice : - Number Portability (Fixed and Mobile)

NP is a fundamental right to consumers that allow them to switch from one operator to other without losing their number. NP is two types : Mobile Number Portability (MNP) and Fixed Number Portability (FNP).

Mobile number portability (MNP) has been implemented in practice in eight of the eleven countries studied (Bahrain, Egypt, Morocco, Oman, Qatar, Saudi Arabia, Turkey and UAE). While ,Fixed number portability (FNP) is implemented in four countries (Bahrain, Morocco, Oman and Turkey). However, the FNP in Oman is only limited to business subscribers.

Regulation on Consumer Protection

2-Consumer’s regulation

- **NRA may issue a General Consumer Regulation which contains provision on:**
 - **Information that must be supplied to consumers prior to provision of telecommunications services**
 - **Content of service contracts and other terms and conditions of service**
 - **Operator and directory assistance; telephone directories; emergency services**
 - **Services to the differently-abled**
 - **Advertising standards**

Consumer Protection (Telecommunications) Regulations

General Consumer Code contains provisions on:

- Billing requirements and procedures**
 - Security deposits**
 - Handling of consumer complaints**
 - Service providers’ compliance with the Consumer Code – monitored NRA**
- NRA may fine service providers who fail to comply and order them to take steps to remedy**

3- Regulation of Quality of service

- **Quality of service standards (e.g., time within which service provider must make initial connections, answer operator assistance and directory inquiry calls, solve service problems, correct billing errors)**
 - **Most modern telecommunications regimes, have quality of service standards.**
 - **NRA monitor and audit the KPI's of the operators in achieving the QoS regulations.**

- **Monitoring of Quality of service**

- **Service providers may institute higher quality of service standards for their consumers**
- **Service providers must maintain records of compliance and report to NRA and are required to publish their KPI’s quarterly.**
- **NRA may Penalize operator for failure to achieve quality of service standards.**

4. Universal Access and Consumer Protection

Introduction to key concepts in universality

There are two key concepts in universality - universal service and universal access.

- The objective of **connecting households to the PTS** is generally referred to as the “**Universal Service Obligation**”.
 - Universal service is a **realisable policy objective in industrialised countries**, but is **not always economically feasible in developing countries**, where universal access is a more practical objective.
- **Universal access is a situation where every person has a reasonable means of access to a publicly available telephone.**
 - Universal access can be realised through pay telephones, community telephone centres, teleboutiques, community Internet access terminals, etc.



Achieving universality

There are a number of mechanisms which are used either individually or in concert to achieve universality. These include:

- **Market-based reforms** –especially privatisation, competition and cost-based pricing;
- **Mandatory service obligations** - imposed by licence conditions or other regulatory measures;
- **Access deficit charges** - paid by operators to subsidise the access deficit of incumbent operators;
- **Universality funds** - independently administered funds that collect revenue from various sources and provide targeted subsidies; and, to a lesser extent
- **Cross-subsidies** - between or within services provided by incumbent operators.



Future of Universal Service?



5- Protecting consumers' privacy

There are a number of mechanisms that can be used to protect consumers' privacy.

- **General legislation;**
- **Sector-specific legislation;**

Sector specific regulation - restrictions on the use of customer information (i)

In some countries, including the US and Canada, **regulatory restrictions are imposed on the use of customer information.**

- **Some of these rules are designed to protect the privacy of customers.**
- e.g. Typically, consumers of telecommunications services do not want others to know what phone numbers they call.
- In the European Union, **legislation imposes specific limits on the use that can be made of billing and other customer data.**

e.g. There is a prohibition against using the information to market services to customers unless the customer has consented to that use of its data.



Confidentiality and privacy of Consumer Information

- **Elaborate on provisions on confidentiality of consumer/other user information in the Act:**
 - **Only employees, *etc.* with a legitimate “need to know” consumer information may have access**
 - **Required confidentiality agreements with employees, contractors, representatives, agents, *etc.*, which must survive termination of employment, contracts, *etc.***
 - **Telecommunications undertakings that provide services to consumers must develop and publish a formal Privacy Policy**

6- The consumer’s right to complain

NRA’s oblige operators to provide Complaint handling process that is accessible, transparent and free of charge

Telecom Operators must provide Consumers with a Complaint handling process that:

- (a) is accessible, transparent and easily understood by Consumers and former Customers;**
- (b) is free of charge**
- (c) provides for the courteous, timely and fair Resolution of Complaints.**

A operator must take the following actions to enable this outcome:

- (a) Implement a process: implement, operate and comply with a Complaint handling process that:**
 - (i) is Consumer focused and easy to use;**
 - (ii) is free of charge**

Resolving Consumer’s Complaints

The process

If the Operator does not handle the consumer’s complaint or the consumer is not happy with what decided by the operator , then

Consumer has the right to lodge a complaint to the NRA where the NRA will look on the complaint and examine its legality and decide on the complaint .

The NRA’s decision is enforceable on the operator and the consumer and if the consumer is not satisfied with NRA’s decision he may appeal in front of the administrative courts in the country .

General Discussion