

**Consumer Council's Submission to the
Legislative Council Panel on Information Technology and Broadcasting
on the Provision of Consumer Information in relation to
Residential Broadband Use in Hong Kong**

(July 18, 2007)

1. The Consumer Council (CC) welcomes the opportunity to express its views on information provision to consumers on broadband services consequent to the recent survey on broadband services in Hong Kong conducted via telephone interviews by the Social Sciences Research Centre of The University of Hong Kong as commissioned by the Office of the Telecommunications Authority (OFTA).
2. CC considers it is necessary for ways forward to be planned in response to the following concerns of users of broadband services:
 - Customer satisfaction
 - Complaints
 - Information availability

Customer Satisfaction

3. Although the survey above-mentioned found that some 82% of respondents were at least fairly (including fair and quite) satisfied with their current broadband services providers, nearly half of the respondents disclosed that they had encountered problems more than once with their ISPs over the 12 months before the telephone interview. The most serious problem encountered concerned network reliability (over 53%) and the second one was on billing (around 3%).

4. Since network reliability is an important criterion in choosing a service provider and therefore has significant bearing on customer satisfaction, it is essential to make available information on network reliability such as number of service breakdown incidents to enable consumers to assess the service quality of the service providers before subscription. CC would invite OFTA to consider whether service providers should be obliged under the license requirements to report incidents of service breakdown and how the public could in turn access such information on service reliability from OFTA.

Complaints

5. The survey found that only a small proportion of users (22%) made complaints concerning the problems they encountered, of which almost 97% complained directly to the service providers, and only 1.2% complained to CC. CC's complaint statistics, on the other hand, show that between January and May of 2007, there were 1,600 complaints to CC concerning Internet services, and the total number for 2006 was around 4,300. Amongst those complaints, close to 800 for January to May of 2007, and 1,900 for 2006 were related to quality of services including download speed and service breakdown problems. This would suggest a grave need on the part of service providers to improve their sales/trade practices and service provisions.

Information Availability

6. The survey found that 42% of the respondents had changed their ISPs before and 45% would consider switching ISPs. It was also found that 38% of respondents thought that there was insufficient information on fees, upload and download speed. 97% of the respondents believed that information about the quality of broadband ISPs should be available in the market. Some 43% thought that OFTA should provide the information. 20% expected the information from the ISPs and only 11% expected it of CC.

7. CC conducted several studies concerning prices, customer services and sales practices of broadband service providers between 2001 and 2006 and the findings were published in CC's "CHOICE" magazine. Whilst CC agrees that better consumer information would help users to negotiate a better broadband service contract, CC considers that the quality of broadband services must form part of the information, or else there would be mismatch with user expectation.

8. CC has worked with OFTA towards establishing a standard to measure the Quality of Service (QoS), but up until now the industry has not been able to reach consensus on the standard of measurement. Without a common standard, it is difficult for any party to undertake a QoS comparison amongst Internet service providers.

9. CC will be happy to continue the collaboration with OFTA to educate users on specific computer and Internet use issues and how to be a smart information technology user. However, CC will urge upon the industry to come up with a standard measurement to enable OFTA to check on the QoS of service providers and to make proper information available to consumers for them to make an informed subscription choice.