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OFTA
電訊管理局

Progress Report on the Pilot Run of Customer Complaint Settlement Scheme (CCSS)

30 June 2009



Background

- **High penetration of telecommunications services in Hong Kong**

Service	Penetration
Mobile	165.2% (by population)
Broadband	78.6% (by household)

Service	Customers / lines
Mobile	11,580,149
Fixed line	4,099,912

(data as of March 2009)

Measures already taken on consumer complaints

- **By OFTA**

- ▶ Provision of service-related consumer information and consumer education
- ▶ Licence provision to empower Telecommunications Authority (TA) to issue a code of practice on requirements in contractual matters, and submission of consumer disputes to an independent resolution scheme approved by TA

- **By Industry**

- ▶ Publication of performance pledges for broadband services
- ▶ Review and improve selling practices

- **Number of complaints had been decreasing where number of customers has been increasing**


Year	2006	2007	2008
Complaint figures ¹	11,801	10,382	9,759
Total number of customers ²	15 million	16.5 million	17.4 million

¹ Telecommunication services related complaint statistics reported by the Consumer Council

² Customers include those of fixed line, mobile and broadband services



Alternative dispute resolution scheme – the concept

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- **Industry-specific system to resolve contractual disputes between customers and the service providers, through mediation and adjudication**
 - **Independent from operators**
 - **Funded by operators**
 - **Similar systems overseas:**
 - ▶ United Kingdom
 - ▶ Australia
 - ▶ New Zealand




CCSS Pilot Programme

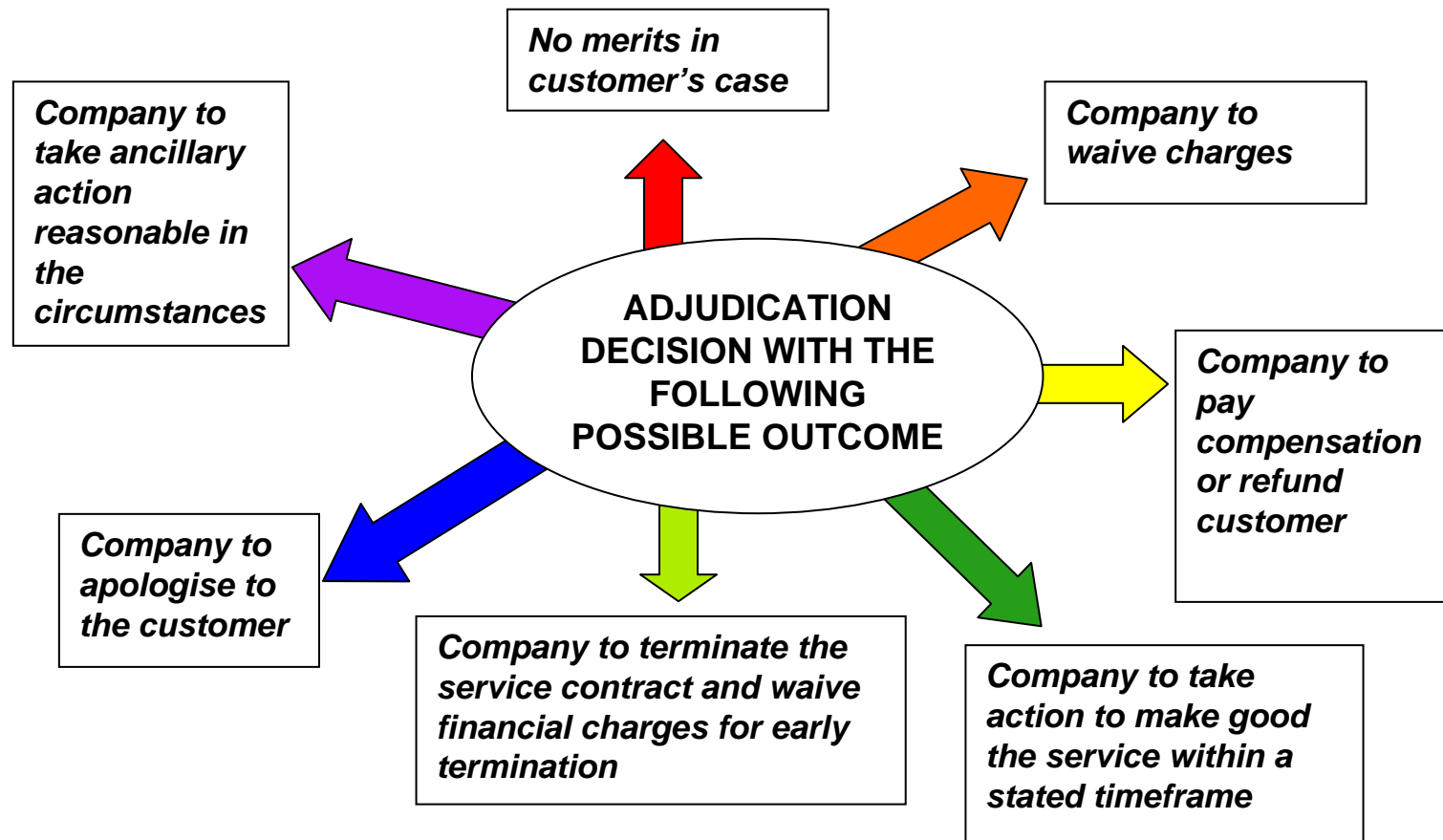
- **Commenced in September 2008**
- **Participating companies: PCCW, Hutchison and CSL**
- **Administration and mediation by OFTA**
- **Adjudication service provided by Hong Kong International Arbitration Centre (HKIAC)**
- **14 cases have been referred**
 - ▶ 4 cases adjudicated, 1 case mediated and 9 cases in progress
- **Services involved**
 - ▶ Fixed line / mobile (data and roaming services) / broadband / IDD / pay TV / Value-added services



Operation of CCSS Pilot Programme


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- **Case referral from company**
 - **Information collection by OFTA staff**
 - **Mediation by OFTA staff**
 - **Proceed to adjudication if mediation fails**
 - ▶ HKIAC assigns an adjudicator
 - ▶ A statement of independence signed by the nominated adjudicator
 - ▶ Curriculum vitae of the adjudicator passed to the company and the customer
 - ▶ Customer and company confirm acceptance
 - **Adjudicator makes an independent decision after considering the evidence**
 - ▶ Adjudicator may review his / her own decision upon request of the customer or the company
 - ▶ Customer considers acceptance of adjudicator's decision

Possible outcome of Adjudication





Way forward

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- **Pilot to run for a further 8 months**
 - **Discuss with the industry the viability of setting up a long-term CCSS**
 - ▶ OFTA keeps records of resources expended
 - ▶ OFTA conducts survey with all parties



End