

Press Release

Enhanced Protection for Consumers through the Implementation of Industry Code of Practice for Telecommunications Service Contracts

From July 2011, consumers subscribing to telecommunications services will be afforded enhanced protection with the implementation of the Industry Code of Practice for Telecommunications Service Contracts (Industry Code) by all major fixed and mobile network operators and one major external telecommunications services operator.

Under the Industry Code, personal or residential users of new telecommunications service contracts will enjoy better protection as follows :

- Enhanced clarity of information on services and charges incurred and provisions in contracts;
- Provision of written confirmation for contracts concluded over the telephone;
- Opt-out option for free-trial service with the arrangement not putting customers to inconvenience or involving their incurring any cost;
- A cooling-off period for contracts that are entered into during unsolicited visits to customers' homes,
- No automatic renewal of contract unless with the prior agreement of the customer;
- More transparent arrangements for contract terminations, renewals, extensions and replacements;
- Better protection of customers in case the service providers vary the contract terms and conditions unilaterally; and
- Fairer arrangement for customers' service relocation requests.

“To meet the requirements set out in the Industry Code, which was promulgated in December 2010 by the Communications Association of Hong Kong, the participating service providers have expended resources during these intervening months in revising their contract forms, overhauling their service platforms and their sales and internal supporting procedures. From now on, when consumers subscribe to telecommunications services using the new contract forms, their rights and interests will be much better safeguarded.

OFTA is appreciative of the concerted efforts of the telecommunications sector to adopt a harmonized practice for drawing up contracts that is fair, balanced and reasonable for both the consumers and the industry,” a spokesperson of the Office of the Telecommunications Authority (OFTA) said today (12 July 2011).

Before signing up a new contract or renewing an existing contract, consumers are advised to read through and understand the content of the service contracts, drawing reference from the Industry Code where necessary, and seek clarification from service providers on any of the contract terms if in doubt. On such issues of consumers concern such as arrangements for contract renewal/termination, unilateral variation of contract terms and conditions by service providers, and arrangements for customer moving location etc, consumers should confirm with the service providers that their service contracts comply with the Industry Code.

“OFTA will closely monitor the effectiveness of the Industry Code and, taking into account the experience in implementation and the consumers’ feedback, continue to work with the industry on the need for further enhancement to the Industry Code,” the spokesperson continued.

With a view to protecting consumers’ interest and addressing consumer complaints on contractual matters for telecommunications services, OFTA has worked closely with the industry in order to formulate and implement a self-regulatory industry code for telecommunications service contracts.

The full text of the Industry Code can be downloaded from CAHK’s website at

http://www.cahk.hk/News/310/Industry_CoP_Telecom_Service_Contract.pdf

or OFTA’s website at

http://www.ofta.gov.hk/en/ca_bd/Industry_CoP_Telecom_Service_Contract.pdf

Office of the Telecommunications Authority
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