



# **Customer Complaint Settlement Scheme For The Telecommunications Industry**

**Legislative Council Panel  
on Information Technology and Broadcasting**

**11 June 2012**

# Agenda

---

**1. Background**

**2. Key features of the Voluntary CCSS**

**3. Way forward**

# 1. Background

---

- Aims of the CCSS
  - provide a quick and economical way of resolving telecommunications services disputes outside the judicial system
- Pilot Programme
  - conducted for 18 months from 2008 to 2010
  - test the practicality and efficacy of the CCSS under local conditions
  - 3 volunteered service providers, 18 deadlock cases handled
  - two-staged approach : mediation and adjudication

# 1. Background

---

- Public Consultation on the CCSS in June 2010
  - to solicit views on salient issues for long term and sustainable implementation of the CCSS
  - consulted the Panel. 13 submissions received
  - major concerns : cost effectiveness and funding arrangement
- Further discussion with the Industry
  - to have a scheme that meets the CCSS objectives while receiving broad industry support
  - all the major telecommunications service providers agree to implement the CCSS on a voluntary basis
  - Communications Association of Hong Kong (“CAHK”) will be an independent agent for operating a voluntary CCSS

# 1. Background

---

- Conclusions of the former Telecommunications Authority
  - support a voluntary CCSS implemented by the industry
  - conduct a **two-year trial** for the voluntary CCSS
    - since the voluntary CCSS will be operated on a much larger scale with a different approach
    - all parties concerned may fully assess the effectiveness of the CCSS and the public demand for it

## 2. Key features of the voluntary CCSS

---

### (a) Basic features of an effective CCSS

- cost-effective, user friendly and flexible
- able to resolve customer disputes in a timely manner
- fair to customers and service providers

### (b) An independent CCSS Agent

- managed and operated by an independent CCSS Agent
- the Office of the Communications Authority (“OFCA”) to play an active role in monitoring the effectiveness of the scheme
- will not prejudice the power of the Communications Authority to conduct investigations under the Telecommunications Ordinance on any suspected regulatory breaches

## 2. Key features of the voluntary CCSS

---

### (c) Cost of running CCSS

- both operators and customers will share some of the cost of running the scheme
- OFCA will provide funding support as well as administrative support to the CCSS trial

## 2. Key features of the voluntary CCSS

---

### (d) Scope of CCSS

- deadlock cases of **billing disputes** between **residential/personal customers** and telecommunications service providers
- billing disputes ranked top amongst all the complaint categories according to the former OFTA's record of consumer complaints on telecommunications services

Complaint Categories	Year 2009 - 2011
Disputes on bills	21% - 30%
Service Quality	17%
Disputes on contract terms	13%



## 2. Key features of the voluntary CCSS

---

### (e) Mode of operation

- **one-stage mediation** (i.e. without adjudication)
  - relatively simple, flexible, quick and lower cost
  - more suitable for resolution of telecommunications service disputes

### (f) Settlement Agreement

- if settlement is reached after mediation : both parties to sign a binding settlement agreement
- if no settlement is reached : either party may bring the case before the judiciary for a final settlement

# 3. Way forward

---

- OFCA is working with CAHK and the industry to:
  - map out the implementation details of the voluntary CCSS
  - establish the CCSS Agent to operate the scheme
- Target to commence the trial of CCSS in the second half of 2012