

**For information
on 13 June 2005**

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

**Spamming arising from the use of
Interactive Voice Response System (IVRS) technology**

Purpose

This paper briefs Members on the recent trend of using Interactive Voice Response System (IVRS) technology to send out unsolicited pre-recorded marketing messages.

Background

2. IVRS is a computerised system connected to the telephone network, allowing a telephone caller to obtain services or information by selecting an option from a pre-recorded voice menu. It is a cost-effective way of providing around-the-clock services to customers and is widely used in different industries. Typical services utilising IVRS technology include phone banking, customer service hotlines, and telephone enquiry services.

Nature of the Problem

3. While IVRS was designed to enable a customer to dial into the system to obtain the desired services or information, there is a recent trend that some direct marketing companies chose to configure the IVRS system to dial the telephone numbers of potential customers, play the pre-recorded voice messages to promote their products or services, and seek the potential customers to respond for follow up. When direct marketing companies generate such calls automatically on an unsolicited basis, it could be considered a spamming problem.

Severity of the Problem

4. Spamming arising from the use of IVRS technology on telephone

networks affects different stakeholders. To consumers, such calls cause inconvenience. Furthermore, the recipients would incur airtime charges if they take such calls on a mobile phone and may even pay hefty roaming charges if they are outside Hong Kong. To network operators, customers unhappy to receive such calls may call their customer service hotlines to complain, requiring their resources to handle. Such calls also use up their network capacity.

5. From January to April 2005, the Office of the Telecommunications Authority (OFTA) received 427 enquiries on how to deal with telephone cold calls and unsolicited promotional calls generated by machines.

Measures to Deal with the Problem

6. We briefed Members on 14 March 2005 on the result of the public consultation on the proposal to contain the problem of unsolicited electronic messages and our proposed basket of measures under the “STEPS”¹ campaign. A key measure under the campaign is to introduce a piece of legislation to address the problem of unsolicited electronic messages. We have been consulting different stakeholders for their views on the overall legislative framework and will report the outcome to Members at the meeting in July. Noting the increasing spamming problem using IVRS technology, it is our intention to cover such unsolicited calls in the legislative framework.

7. Before the legislation to address the problem of unsolicited electronic messages could be put in place, OFTA has initiated discussions with both fixed and mobile operators with a view to developing an industry Code of Practice to regulate automatically generated promotional calls. We hope that through industry cooperation, the problem of spamming arising from the use of IVRS technology could be reduced.

Communications and Technology Branch
Commerce, Industry and Technology Bureau
June 2005

¹ STEPS stands for strengthening existing regulatory measures, technical solutions, education, partnerships, and statutory measures.