

**Motion on
“Strengthening the regulation of
unscrupulous business practices
in pay television, telecommunications and internet services”
at the meeting of the Legislative Council on 4 July 2007**

Progress Report

Introduction

The Legislative Council passed a motion on “Strengthening the regulation of unscrupulous business practices in pay television, telecommunications and Internet services” at its meeting on 4 July 2007. This paper aims to brief Members on the follow-up actions taken by the Administration in tackling the problem.

Follow-up Actions

2. The Government is very concerned about the complaints on unscrupulous sales practices and substandard customer services in relation to pay TV and telecommunications services. The Secretary for Commerce and Economic Development met with the senior executives of the major pay TV and telecommunications operators in August 2007 to express the Government’s concerns and discuss with them how to enhance self-regulation in order to improve their customer service quality. Specifically, we have requested the operators:

- (i) to clearly instruct their staff and outsourced agents not to engage in unscrupulous sales practices;
- (ii) to provide full service contract to the consumers for their review before inviting consumers to sign the contracts,
- (iii) to facilitate consumers to obtain and submit application forms in relation to their services, including service termination forms; and

- (iv) to join the Consumer Dispute Adjudication Scheme (CDAS) proposed by the Office of the Telecommunications Authority (OFTA) which seeks to address contractual disputes with the service users.

3. The pay TV and telecommunications operators noted the concerns and undertook to consider the proposed measures.

4. OFTA has circulated to the pay TV and telecommunications operators information about the concept of CDAS and has invited them to take part in the proposed scheme. Several operators have already indicated their support for CDAS. OFTA will shortly organise an industry workshop to enable operators to exchange views on the implementation details of CDAS.

5. We note that the complaints situation has improved recently, in particular for pay TV. According to the Consumer Council, the complaints against pay TV services have dropped from 1,067 in June 2007 to 570 in July 2007. We will continue to monitor the situation closely and review from time to time the effectiveness of the self-regulatory measures adopted by the industry.

Commerce and Economic Development Bureau
September 2007