
Office of Utilities Regulation

**Improving Information Transparency
in
Telecommunication Markets**

Consultation Document



OFFICE OF UTILITIES REGULATION

2019 May 31

Abstract

Informed consumers play a crucial role in the functioning of markets. For this role to be realized they must have access to the right information to make informed choices about products and services. Consumers are, however, oftentimes constrained in their ability to make decisions about products and services from a fully informed position given information asymmetry in the markets. Where information transparency issues exist, consumers are not equipped to make the best choices.

Regulators and service providers both have roles to play in ensuring that consumers are empowered to make the best decisions to maximize their welfare. For service providers, full disclosure of information that is easily accessible, accurate and timely are positive reinforcements for an empowered consumer. In the case of the regulator, information asymmetry in the market can be addressed using formal or informal means, or a combination of both. Formal measures would include regulatory mandates, while the informal approach would be to secure voluntary undertakings by the service providers to provide information and tools to consumers that will help them to manage usage and expenditure.

This document discusses the transparency issues in regard to telecommunication services and the impact of information asymmetry on consumers, such as unexpectedly high billing/bill shock or rapid credit depletion. Experiences of consumers and regulators in different jurisdictions in dealing with these issues form a part of the discussion along with Jamaica's experience as documented by the Office of Utilities Regulation through its complaints department and the results of its billing transparency survey. Remedies are proposed to address some of the billing issues resulting from inadequate information provision for which comments are invited from stakeholders.

Consultation Process

Persons who wish to express opinions on this Consultation Document are invited to submit their comments in writing to the Office of Utilities Regulation (“OUR”) by post, facsimile or email addressed to:

Office of Utilities Regulation
P.O Box 593
36 Trafalgar Road
Kingston 10

Attention: Marsha Minott

Fax: (876) 929-3635

Email: marsha.minott@our.org.jm

Responses are requested by 2019 June 28

Any confidential information should be submitted separately and clearly identified as such. The submission of confidential information should be accompanied by a justification in keeping with section 7(6) of the Telecommunications Act.

Responses which are not confidential pursuant to sections 7(6) and 7A of the Telecommunications Act will be posted to the OUR’s website (www.our.org.jm). Respondents are therefore requested to supply their responses in electronic form to facilitate such postings.

COMMENTS ON RESPONSES

There will be a specific period for respondents to view other responses (non-confidential) and to make comments on them. The comments may take the form of either correcting a factual error or putting forward counter arguments. As in the case of the responses, comments which are not confidential pursuant to the Telecommunications Act will be posted to the OUR’s website.

Comments on responses are requested by 2019 July 12

Arrangement for viewing responses

This Consultation Document and the responses and comments received by the OUR will also be made available to the public through the OUR’s Information Centre (“OURIC”). Persons who wish to view the Document, responses and comments should make an appointment by contacting:

Ms. Colleen Mignott
Coordinator OURIC/Information Officer
Telephone: (876) 968-6053
Fax: (876) 968-6053
Email: Colleen.mignott@our.org.jm

Individuals with appointments should visit the OUR's offices at:

3rd Floor, PCJ Resource Centre,
36 Trafalgar Road,
Kingston 10

Photocopies of selected responses and comments may be provided on request at a price which reflects the cost to the OUR.

CONSULTATIVE TIMETABLE

The timetable for the consultation on this consultation is summarized below:

<i>Event</i>	<i>Date</i>
Publish Consultation Document	2019 May 31
Responses to Consultation	2019 June 28
Comments on Responses	2019 July 12
Issue Determination	2019 December 23

Glossary

In this document, unless the context otherwise requires, the following terms will have the meanings specified below:

1. The ‘Act’ means the Telecommunications Act.
2. “Bill Shock” means an event in which a consumer receives an unexpectedly high bill, in the case of a post-paid services; or experience unexpected credit depletion, in the case of pre-paid services.
3. “Bundled Service” means a combination of different services that are sold together at a discounted price instead of as separate services.
4. “Licensee” has the same meaning as in the Act.
5. “OUR Act” means the Office of Utilities Regulation Act
6. “Roaming” means the ability for a customer to automatically make and receive voice calls, send and receive data, or access other mobile services while visiting another country, by means of using the infrastructure of a “visited” network.
7. “Service Provider” is as defined in the Act.

Abbreviations

ACMA	Australia Communications and Media Authority
BEREC	Body of European Regulators for Electronic Communications
CARICOM	Caribbean Community
CFM	Communications and Multimedia Consumer Forum
CRA	Communications Regulatory Authority
CRTC	Canadian Radio-television and Telecommunications Commission
CTU	Caribbean Telecommunications Union
ECTEL	Eastern Caribbean Telecommunications Authority
ERG	European Research Group
EU	European Union
FCC	Federal Communications Commission
GSMA	Global System Mobile (GSM) Association
IMDA	Infocomm Media Development Authority
IMR	International Mobile Roaming
ITU	International Telecommunications Union
MMS	Multimedia Messaging Service
NRA	National Regulatory Authorities
Ofcom	Office of Communications
OUR	Office of Utilities Regulation
SADC	South African Development Community
SIM	Subscriber Identity Module
SMS	Short Messaging Service
TATT	Telecommunications Authority of Trinidad and Tobago
TRAI	Telecommunications Regulatory Authority of India
USSD	Unstructured Supplementary Service Data

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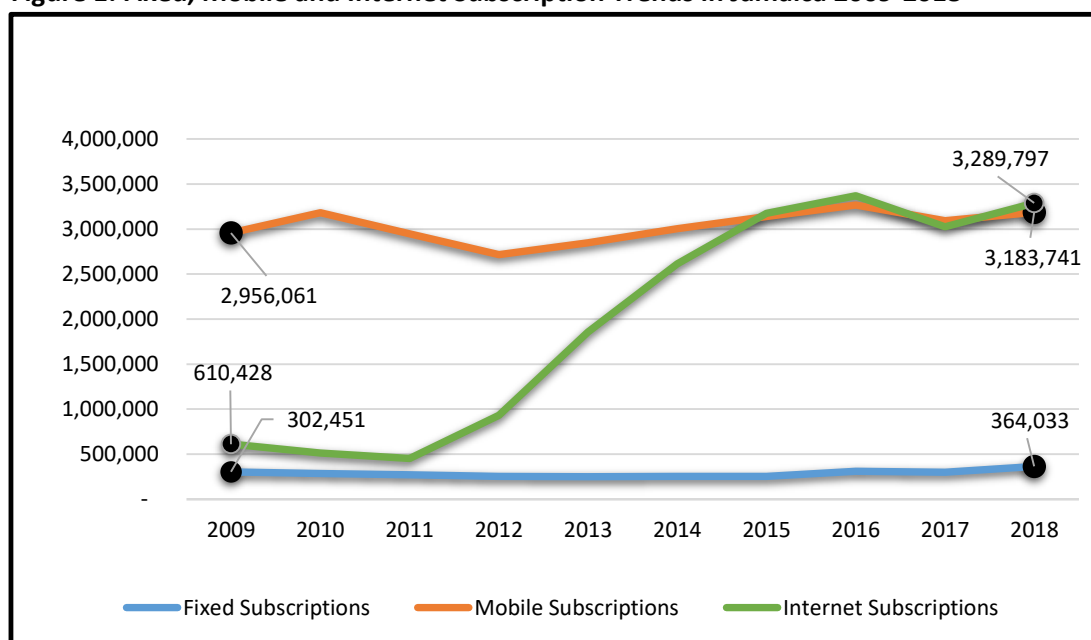
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Chapter 1: Introduction

1.1 Background

1.1.1 The Jamaican telecommunications sector continues to show growth since it was liberalized in the year 2000. There are currently three (3) main licensees in the country providing one or more services in the fixed, mobile and internet markets. Subsequent to an acquisition in the sector, the services of two of the licensees are currently marketed under a single brand. In terms of subscriptions, while fixed and mobile services have recorded marginal increases over the last ten years, subscriptions for internet services increased dramatically over the same period. As shown in figure 1, subscriptions for internet services increased by 439% when a comparison is made between these subscriptions for the years 2009 and 2018.

Figure 1: Fixed, Mobile and Internet Subscription Trends in Jamaica 2009-2018



Source: Office of Utilities Regulation. Note that the data for 2018 is as at the 3rd quarter (July – Sept).

1.1.2 The large increase in internet subscriptions is a reflection of the fast pace of technological advancements and innovations in the telecommunication industry, which has changed the landscape of the sector to one in which wireless technology and internet/data services play significant roles in today's communication. Accordingly, the demands and expectations of local and indeed global consumers are also changing with the innovations

in the sector. Local service providers having recognised the importance of keeping pace with the needs of consumers, have been creating new products and services or have included value added products and services to drive consumer spending behaviour.

1.1.3 The sector has seen the introduction of new and varied products and service offerings, which, while providing more options for consumers, can result in both pre and post purchase challenges if not properly understood. Although there has been an increase in the uptake of telecommunication services, consumer complaints have been on the rise since 2017. While some consumers registered formal complaints with the Office of Utilities Regulation (OUR) regarding their dissatisfaction with aspects of their telecommunication services, others chose to make complaints through the electronic and print media, with radio being a popular choice used by consumers to voice their concerns. Although issues relating to quality of service continue to feature prominently in consumer complaints, there was a noted increase in concerns expressed by consumers regarding unexpectedly high bills in the case of post-paid subscribers; and the rapid depletion of credit in the case of prepaid subscribers. Specifically, most consumers complained about:

- High call charges;
- Non-receipt of notification when data credit is nearly exhausted, or has been exhausted;
- Incidents of rapid credit depletion when credit is applied for data use;
- Exhaustion of data plan/credit when ‘mobile data’ was disabled on their devices.

1.1.4 In an effort to obtain better insights on these and other issues affecting consumers, the OUR formally brought the issues to the attention of the telecommunications service providers in August 2017. The OUR requested information regarding the actions taken by the service providers to address the complaints received, as well as any measures they intended to undertake to address the underlying factors that may have led to the issues experienced by consumers.

1.1.5 In their response to the OUR, service providers informed that every effort was being made to resolve customer complaints on the issues, and to have consumers rebated where applicable. They also stated that there were known instances where the data depletion experienced by consumers was due to reasons such as the settings on mobile devices which allow for the automatic updating of some applications. At least one service provider expressed the need for more public education regarding service plans and data usage.

1.1.6 Although measures were subsequently taken by service providers to reduce the instances of unexpectedly high billings and rapid credit depletion, there were still complaints to the OUR, albeit at a reduced level, regarding these issues. To assess the issues from the

consumer's perspective, the OUR invited consumers of telecommunications services to participate in a Billing and Transparency Survey. This short survey was administered online with the objective of obtaining information on the level of transparency of billing practices in the sector, and the factors that may contribute to billing issues. The survey was comprised of two sections: Section 1, which sought to gather data on general information provisioning, by service providers; while Section 2 sought to gather data only from consumers who had received an unexpectedly high bill/charge in the twenty-four months prior to the survey. The survey was conducted over the period 2018 August 22-29. The results of the survey have been incorporated in this document to support the discussion regarding transparency and billing issues in the sector and the role of the regulator in both the protection and empowerment of consumers.

1.2 Structure of the document

- **Chapter 2** outlines the Legal Framework that underscores the remit of the OUR in regard to consumer protection.
- **Chapters 3 - 5** discuss the issue of transparency in relation to how services are presented to consumers and the associated ill effects such as unexpectedly high billing/bill shock, that can arise as a result of information asymmetry between service providers and consumers.
- **Chapter 6** proposes measures that the OUR would like to implement to address some of the factors that result in billing issues.
- **Annex 1** looks at monitoring tools and strategies that consumers can utilise to have control of how they consume telecommunication services.

Chapter 2: Legal Framework

2.1 General Provisions

- 2.1.1 The OUR was established under the OUR Act with the power to regulate “prescribed utility services.” Section 2 and the First Schedule of the OUR Act defines “prescribed utility services” to include “*the provision of telecommunication services.*”
- 2.1.2 The power and authority of the OUR to regulate the telecommunications sector is governed by the provisions of the OUR Act and the Telecommunications Act (“the Act”).
- 2.1.3 Section 4(1) of the OUR Act permits the OUR to:
- “...
(c) *conduct such research as it thinks necessary or desirable for the purposes of the performance of its functions under this Act;*
...
(e) *subject to section 8A carry out, on its own initiative or at the request of any person, such investigations in relation to the provision of prescribed utility services as will enable it to determine whether the interests of consumers are adequately protected.*”
- 2.1.4 Section 4(3) of the OUR Act empowers the OUR to undertake such measures, as it considers necessary and desirable, to inter alia:
- “(a) *encourage competition in the provision of prescribed utility services;*
(b) *protect the interests of consumers in relation to the supply of a prescribed utility service;*
...
(d) *promote and encourage the development of modern and efficient utility services;*
...”
- 2.1.5 The Act also grants specific powers to the OUR to provide regulatory oversight on certain areas of focus, including but not limited to, quality of service standards and consumer protection in the provision of telecommunications services. Some of the relevant provisions of the Telecommunications Act are as follows:
- “3(a) *to promote and protect the interest of the public by-*

- (i) *Promoting fair and open competition in the provision of specified services and telecommunications equipment;*
- (ii) *Promoting access to specified services;*

...

- (iv) *providing for the protection of customers;*
- (v) *promoting the interests of customers, purchasers and other users (including, in particular, persons who are disabled or elderly) in respect of quality and variety of telecommunications services and equipment supplied;*

“4(1) The Office shall regulate telecommunications in accordance with this Act and for that purpose the Office shall –

- (a) regulate specified services and facilities;*

...

- (d) promote the interests of customers, while having due regard to the interests of carriers and service providers;*

...

- (f) make available to the public, information concerning matters relating to the telecommunications industry;*

- (g) promote competition among carriers and service providers;*

...

(3) In exercise of its functions under this Act, the Office may have regard to the following matters –

- (a) the needs of the customers of the specified services;*

- (b) whether the specified services are provided efficiently and in a manner designed to –*

...

- (iii) afford economical and reliable service to its customers;*

- (c) Whether the specified services are likely to promote or inhibit competition.”*

2.2 Enforcement

2.2.1 The 2012 amendments to the Act expanded the activities considered offences and enhanced the enforcement actions that can be taken by the OUR against Licensees who are in breach of the Act. The OUR is now empowered under Section 63(3) to, among other things:

- issue cease and desist orders,
- mandate the payment of compensation to affected persons,
- require remedial steps to be taken,
- order the termination of agreements deemed to be in breach
- seek injunction

2.2.2 A fixed penalty scheme is established under section 63B of the Act, pursuant to which Licensees in breach may opt to pay a fine in lieu of criminal court proceedings. The failure of a Licensee to comply with the Act or regulations thereunder is among the offences to which the new enforcement and fixed penalty provisions are applicable.

Chapter 3: The Transparency Issue

3.1 What is Transparency?

- 3.1.1 The manner in which the public consumes telecommunications products and services is changing based on the sector's changing landscape. Technological advancements have dramatically impacted the sector from what was already an integral part of a global communications network, critical to businesses/organisations and individuals, to one that is also now indispensable to socioeconomic activities. There are however challenges that arise with technological advancements and innovations in the sector. One such challenge is the lack of adequate information pertaining to the products and services that are made available by service providers.
- 3.1.2 *Transparency*, is defined by the Oxford English Dictionary as “easy to perceive or detect”, while the Merriam-Webster Dictionary frames it as being “free from pretense or deceit; readily understood; characterised by visibility or accessibility of information especially concerning business practices.” From a regulatory perspective, transparency denotes “openness” and “clarity” in relation to the disclosure of information that is required by different stakeholders in the sector in their decision-making process. The provision of information reassures investors of the state of the sector; it helps to foster innovations in the markets and it serves to protect the consumers' interests. Residential and business consumers both require public disclosure of accurate information regarding the increasing range of products and services to make informed choices pertaining to their use. Indeed, it becomes the role of the regulatory authority to enhance the efficiency and effectiveness of consumer choices by ensuring that service providers make information available to consumers that is accurate, relevant, timely, unbiased and easily accessible. Where there is absence of information or lack of transparency, consumers cannot readily make informed decisions or compare services. Furthermore, even in instances where the information becomes available, the details of the service may be presented in a disjointed manner across various electronic and print media platforms. It may then make the information difficult to interpret, and make comparisons with other offerings challenging.
- 3.1.3 Service providers may at times, not provide consumers with sufficient, relevant and easily understood information, which often results in uninformed choices. To make informed choices, consumers require information on the details of service plans from service providers such as:
- the components of a bundled service,
 - the associated tariff and how they will be billed,
 - provisions regarding expected quality of service, as well as
 - the applicable terms and conditions governing the service.

Where constraints are present on the ability of consumers to obtain and process information, it may lead to non-optimal, welfare reducing decisions.

3.2 Transparency and Competition

- 3.2.1 Transparency of information plays an important role in the telecommunications sector as it fosters innovation as operators compete to deliver products and services to consumers efficiently. Adequate, accurate, relevant and timely disclosure of clear information are essential conditions for better decision-making by consumers. When service providers focus on what they think consumers “need to know” instead of what ought to be known by everyone, it does not allow for the effective engagement of consumers in the buying process, given their lack of sufficient information. Successful competitive markets however depend critically on engaged, active consumers. Consumers should therefore be supplied with ample information from which they can filter the important inputs for their decision making process. Conventional norms dictate that when consumers have sufficient information about various offers available in the market, they are able to assess these offers and purchase the good or service that provides the best value for the required need.
- 3.2.2 Consumers’ ability to choose an offer that suits them best, given the availability of sufficiently clear information, exerts pressure on operators to compete among themselves to be the service provider of choice. This creates a competitive environment that contributes positively to consumer welfare through operator response mechanisms such as price reductions, innovation and diversity of services. Further, where transparency exists, operators are seen as credible facilitators of information, which increases consumers’ confidence in the market, leading to enhanced competition as consumer reward operators who best satisfy their needs.

3.3 Regulators’ reaction to the Transparency Issue

- 3.3.1 Regulators and consumer groups have been placing emphasis on the need for more information sharing in telecommunications markets to prevent consumers from being disadvantaged or suffer detriment when information is withheld. In a survey carried out by the European Research Group (ERG), it was reported that of the eighteen National Regulatory Authorities (NRA) that responded to its questionnaire, ‘ERG End User PT’, fourteen NRAs indicated that there were end-user transparency problems in their countries¹. From this group, a further eleven NRAs expressed concerns in relation to tariff transparency issues.

¹ERG, (2009) Report on Transparency of Tariff Information. Available at:
https://berec.europa.eu/doc/publications/2009/erg_08_59rev_2_report_on_transparency_of_tariff_information.pdf

- 3.3.2 The push by regulators towards greater transparency is also evident through the actions taken by several telecommunication regulatory authorities to improve the level and quality of information shared by service providers.

India

- 3.3.3 The Telecom Regulatory Authority of India (TRAI), in a bid to improve the level of transparency in the sector, issued several “Directions” to telecommunication operators in India to make adequate information available to consumers². As recent as 2018, TRAI issued a ‘notice’ to one of the telecom’s service providers operating in India, for violating its transparency order.

North America

- 3.3.4 In the United States, the Federal Communications Commission (FCC) adopted the “Truth-in-Billing” rules³ to improve consumers’ understanding of their telephone bills and to help them to detect and avoid unauthorised charges. The policy requires that service providers must, among other things, render bills to consumers that are clear, non-misleading and provide a plain language description of the service or services rendered accompanying each charge. A similar approach was taken by the Canadian Radio-television and Telecommunications Commission (CRTC) in implementing the “Wireless Code” (revised in 2017)⁴ which mandates all providers of retail mobile wireless voice and data services to provide information that allows consumers to easily understand their contracts. The Wireless Code is intended to ensure that consumers are empowered to make decisions about their services and contribute to a more dynamic marketplace, as the informed consumer is able to take advantage of competitive offers.

Germany

- 3.3.5 In Germany, a bill on the introduction of a national “Regulation to Promote Transparency in the Telecommunications Market” (or in short: Telecommunications Transparency

² <https://traai.gov.in/sites/default/files/Directions-01-09-2008.pdf>

³FCC, Truth –In –Billing Policy available at: <https://www.fcc.gov/general/truth-billing-policy>

⁴ CRTC 2017-200: Telecom Regulatory Policy CRTC 2017-200: available at: <https://crtc.gc.ca/eng/archive/2017/2017-200.htm>

Regulation, “TTR”), was approved by Parliament on 2016 December 01.⁵ The TTR introduces various transparency obligations in relation to internet access services and mobile networks to be complied with by service providers. The obligations include the provision by the service provider of a detailed product information sheet for any offer that is marketed to consumers. If requested, such information must also be provided to other end-users. In the event of non-compliance with the obligations set out in the TTR, the Federal Network Agency (“BNetzA”) can impose administrative fines. The TTR complements other obligations already in force at the European Union (EU) level, which requires that service providers make specific details on quality of service available to consumers.

Australia

- 3.3.6 The Australian Communication and Media Authority (ACMA), in a commissioned Inquiry⁶ into the experiences of telecommunications consumers in Australia – an element of a broader strategy aimed at delivering material improvements for consumers – found that one of the key components consumers believe comprise good customer care is the expectation that their bills will be accurate, easy to understand and provide detailed usage information in a transparent and accessible manner. The findings from a companion research undertaken by ACMA on “3G mobile bill-payers’ understanding of billing and charging arrangements”⁷ revealed that difficult aspects of consumer contracts included language, charging arrangements and the consequences of exceeding the cap. Additionally, approximately 50% of 3G users reportedly had a low understanding or no understanding of data charging arrangements.

United Kingdom

- 3.3.7 In the United Kingdom, the Office of Communications (Ofcom) in responding to the transparency issue, recognised several characteristics of appropriate information

⁵ LegalBytes, Global Information Technology & Communication Industry & Practice Group, 2017 article entitled ‘Germany Enacts Telecommunications Transparency Regulation’. Available at:<https://www.lexology.com/library/detail.aspx?g=cb1f1e0e-62b0-4c09-ae78-659689d8b400>

⁶ ACMA (2012) Reconnecting the Customer – Final Public Inquiry Report. Available at: <https://www.acma.gov.au/-/media/National-and-community-interests/Content-from-Consumer-Interests/Report/pdf/Reconnecting-the-Customerfinal-public-inquiry-report.PDF?la=en>

⁷ ACMA, (2011) 3G mobile bill-payers’ understanding of billing and charging arrangements, Quantitative Research Report. Available at: <https://www.acma.gov.au/-/media/National-and-community-interests/Content-from-Consumer-Interests/Research/pdf/Reconnecting-the-Customer-Draft-Report-3G-Mobile-BillPayers-Understanding-of-Billing-and-Charging-Arrangements.PDF>

provision in its research publication on information remedies⁸. The research indicated that consumers should be made aware that the information exists; that the information must be accessible, trustworthy, accurate, comparable, clear and understandable, and timely.

Figure 2: Characteristics of information provision

AWARENESS	<ul style="list-style-type: none"> • Are consumers aware of the information?
ACCESSIBLE	<ul style="list-style-type: none"> • Is the information easy to access, find and use?; Is it clearly identifiable?
TRUSTWORTHY	<ul style="list-style-type: none"> • Is the source of information trustworthy and totally impartial? • Has the information been endorsed by multiple stakeholders?
ACCURATE	<ul style="list-style-type: none"> • Is it true to a sufficient level of resolution, and can it be checked for correctness? Is it up-to-date and pertains to consumers' current situation?
COMPARABLE	<ul style="list-style-type: none"> • Is it presented in such a way by different providers to allow for easy and sensible comparisons?
CLEAR AND UNDERSTANDABLE	<ul style="list-style-type: none"> • Is the information expressed in units, concepts, or terminology that is unambiguous and easy to understand? Do consumers have the technical competence to understand it?
TIMELY	<ul style="list-style-type: none"> • Is the information readily available at the point of making decisions?

Source: Ofcom: A Review of Consumer Information Remedies

Locally

3.3.8 Similar characteristics of information provision as those recognised by Ofcom in figure 2, were included by the OUR in the design of its questionnaire for the Billing Transparency Survey. The survey results indicated that service providers made information on their service offers available over a variety of platforms. These platforms reportedly include their website, by emails, text messages and call centres. Respondents to the survey were allowed to make multiple selections from the available options, which resulted in 'text messages (SMS)' at 65.5% being reported as the predominant platform over which service plan details are provided, followed by the service providers' websites at 50.3%. Respondents were also asked whether service providers made them aware of critical information such as pending price changes to their existing plans. Approximately 55% of respondents reported that they were made aware of such changes. Of these respondents, 48% reported being made aware of such changes within a notice period spanning 2 weeks. On the other hand, almost half of the respondents (45%) reported that they were not made aware of pending changes. Given the nature of complaints that the

⁸ Ofcom (2013) A Review of Consumer Information Remedies. Research Document. Available at: https://www.ofcom.org.uk/_data/assets/pdf_file/0033/91698/information-remedies.pdf

OUR received over the years, it would not be surprising if the reported lack of awareness may be due in part to how the information was communicated or the level of accessibility by consumers as it relates to the medium/media used to communicate the information. The adequacy of the information provided, the relative ease in which it is understood by consumers, and their ability to use it to make comparisons across service offerings are important factors that help to determine transparency. These characteristics of information provisioning are discussed in the document.

3.4 Transparency issues in Tariff Plans and Bundles

- 3.4.1 Competition and service innovation are intended to deliver benefits to telecommunications consumers. However, as previously stated, for these benefits to be realised, there is need for an environment where consumers are unconstrained in terms of their ability to access and process information to make decisions. Increasing convergence of services has however led to a more complex digital market that affects both consumers and telecom operators⁹. In this digital market, product bundling has resulted in multiple products being presented on offer in a single package.
- 3.4.2 Bundling is a marketing strategy that combines different services at a discounted price, so that it is cheaper to buy the services together rather than separately. One implication of such offers however, is that previously simple service plans and billing are replaced with service bundles and bills that are sometimes difficult for consumers to understand. In fact, the plethora of service bundles on offer oftentimes results in more confused rather than empowered consumers. It is recognised that the myriad of bundles and pricing schemes introduced by service providers represent their response to the changing marketplace, as they strategically seek to differentiate themselves among their competitors. These strategies have however resulted in varying service bundles and pricing structures. Consequently, it has become challenging for consumers to compare offers by the same service provider, and across service providers, given the different set of characteristics associated with each bundle.
- 3.4.3 The complexities of bundled services also pose a challenge regarding consumers' ability to select the package that is right for their usage patterns. The wide range of price structures offered by service providers for services such as on-net/off-net calls; calls from fixed to fixed networks; mobile to mobile/mobile to fixed calls; and numerous discount schemes that are either introduced or withdrawn from service plans, make it difficult for consumers to calculate tariffs to decide which supplier would offer the best

⁹ Consumer policy in telecoms: How far can market transparency take us? [Available at: http://blogs.lse.ac.uk/mediapolicyproject/2013/04/10/consumer-policy-in-telecoms-how-far-can-market-transparency-take-us/](http://blogs.lse.ac.uk/mediapolicyproject/2013/04/10/consumer-policy-in-telecoms-how-far-can-market-transparency-take-us/)

deal. The concern was expressed that given the complex presentation of plans, for consumers to make a fully informed decision, they would need to study a detailed breakdown of their call profile (the number, type and timing of calls made)¹⁰. Further, the overabundance of bundles, each with features that are difficult to compare with other offers, oftentimes lead consumers to experience anxiety when selecting a plan. As a result, consumers may purchase a ‘standard’ bundle on offer from service providers even in instances where they do not need some of the services contained in the bundle, if only to alleviate the stress associated with undertaking an assessment of all offers.

- 3.4.4 The transparency issues associated with tariff plans and bundled services is an area that continues to be of concern to regulatory bodies, advocacy groups and consumers. The ACMA in its Inquiry found that consumers received contrary and inconsistent advice from customer care representatives about services. It further reported that the large number of plans and products available, and the confusing way in which they were promoted, made it difficult for many consumers to understand the service that was being bought. In many cases, the vast number of plans and products in the market even from a single provider, have made it challenging for consumers to choose among mobile pricing plans offered.
- 3.4.5 Ofcom in its document *The Consumer Experience, 2015*¹¹ expressed the concern that the increasing complexity in pricing may lead to poor decision-making by consumers. Ofcom reported that bundling, discounting, time-limited offers and the increasing number of service packages and permutations are all contributing factors to the difficulties faced by consumers in their attempt to compare services. These difficulties it noted, increase the likelihood of consumers making sub-optimal choices.
- 3.4.6 The ERG research¹² found that surveys carried out at the European Union highlighted difficulties experienced by consumers in comparing tariffs. It was reported that many consumers found it difficult to compare service plans offered by different operators because of the wide variety of plans with complex rate structures that impose different restrictions on use. In relation to the ease of comparing offers from fixed line providers, the research found that approximately 35% of EU consumers surveyed had difficulty comparing these offers. Of these respondents, the research found that consumers in Sweden and Belgium found it particularly difficult to compare fixed service offers at percentages of 53% and 47% respectively. As it relates to difficulty comparing offers from mobile service providers, 38% of EU mobile phone consumers surveyed found

¹⁰ See supra note 1

¹¹Ofcom, (2016) *The Consumer Experience of 2015 – Research Annex*, publication. Available at: https://www.ofcom.org.uk/data/assets/pdf_file/0023/38543/annex.pdf:

¹² See supra note 1

these offers difficult to compare. The breakout revealed high percentages of difficulty of 58% and 63% for Denmark and Sweden respectively. Similar surveys done in the United Kingdom revealed that more than one third of consumers found it difficult to compare prices in the fixed, mobile and internet markets¹³. In the United States, advocacy groups have reported that service providers make it challenging to determine the final price of a mobile service by incorporating surcharges in call prices that are not indicated in advertising and promotional literature¹⁴.

3.4.7 Regarding the local situation, the OUR’s survey indicated that a combined 53% of respondents experienced some level of difficulty comparing service plans across operators. With the exception of the 55-64 age group, the number of persons who found it difficult to compare offers were highest over the older age ranges with a combined 47% being within the age groupings of 35 – 44 and 45 – 54. The results may be an indication that older consumers who are more accustomed to purchasing services previously sold as a stand-alone product, may find it more challenging or frustrating to access and compare information on bundled services than younger ‘technologically savvy’ consumers. Younger consumers are more inclined to search service providers’ social media platforms, and to a lesser extent the websites, (only 8% of respondents to the survey used service providers’ websites) to obtain additional information on service plans, especially in instances where they can obtain discounts from any promotions that may be on offer.

Table 1: Respondents rating of ease of comparing service offers

Ques. How do you rate your ability to compare the offers/plans of service providers?	
very easy	11%
somewhat easy	36%
somewhat difficult	34%
very difficult	19%

Source: OUR – Billing Transparency Survey

¹³ OECD (2008) Enhancing Competition in Telecommunications: Protecting and Empowering Consumers. Available at: <http://www.oecd.org/internet/consumer/40679279.pdf>

¹⁴ Illinois Public Interest Research Group: “Can you hear us now? – A Report on how the Cell Phone Industry has failed Consumers”

Table 2: Respondents who found it difficult to compare offers/plan by age

Age	% of respondents
18-24	10%
25-34	14%
35-44	24%
45-54	23%
55-64	10%
65 and over	19%

Source: OUR – Billing Transparency Survey.

- 3.4.8 While promotional discounts are seen as very attractive, especially to younger consumers, poor advertising and marketing practices that do not accurately represent key features of telecommunications products add to the confusion many consumers face when choosing a product. For example, it was observed on a local service provider’s website that a new plan was advertised, but rather than making details of the plan available on the same page, the emphasis was placed only on the promotional elements. Some of these advertisements and promotions advise the consumer to contact their customer service centres to obtain details on the offer. Although it is understood that customer service centres can provide additional information, it should not be the default avenue to obtain information about the service. Basic information such as pricing should be provided to the consumer during the initial introduction of the product or service, whether it is introduced in advertisements or by a company representative. The OUR has also observed that even in the absence of promotions, the information on the local service providers’ websites regarding the details of a particular service plan is sometimes not always provided in the same location. For example, a service plan may be introduced on a particular page on the website; however, only minimal information associated with that service plan is provided on the page. The consumer would therefore need to do a further search of the website to find additional details on that service plan. Retrieving information pertaining to the particular service plan can therefore be a very frustrating exercise for the consumer when the information is presented in a disjointed manner.
- 3.4.9 Given consumer statistics globally on difficulties experienced comparing service plans and prices, service providers need to provide simplified options that consumers can understand and compare without resorting to a spreadsheet. Clearer communication from operators on services and benefits, with simpler value propositions and billing structures could translate into meaningful experiences for consumers and operators alike. Moreover, transparent billing structures can foster consumer trust and loyalty and also contribute to a reduction in billing disputes. This in turn is likely to result in more prompt payment of bills by consumers.

Chapter 4: Bill Shock and the Consumer

4.1 Bill Shock Explained

- 4.1.1 Situations in which the consumer has little to no access to relevant information, lacks details on service offers and/or has challenges understanding offers from service providers, can lead to sub-optimal choices by the consumer, resulting in an event known as “bill shock”.
- 4.1.2 A “bill shock” event is one in which a consumer receives an unexpectedly high bill, for post-paid contracts, or incidence of unexpected credit depletion in the case of prepaid services. Bill shocks can occur as a result of different factors and is generally the result of consumers having a poor understanding of the charging arrangements for their service at the time it was purchased or due to their inability to track charges that are accumulating under a plan, post purchase. While it is accepted that convergence in the sector introduces some level of complexity that is unavoidable, there is the concern that some of the complexity is due to the structure and pricing of plans by service providers. These pricing structures are not always easily understood and can therefore result in bill shock.
- 4.1.3 Consumers in different jurisdictions have reportedly experienced incidents of bill shock. In a study done by Macquarie University in Australia, it was reported that approximately 45% of all mobile phone users in Australia experienced bill shocks at a median rate of once every six months¹⁵. The study found that consumers on contracts that include mobile phone handsets were much more likely to experience bill shock (47%), than consumers with SIM only deals (37%). The study revealed several contributing factors to bill shocks, with the main cause being higher costs for national calls (54%), and data usage (20%). The study revealed that some consumers who experienced bill shock reported that they were unable to predict how much their bills would be on a monthly basis regardless of how little they used their phones. This was compounded by the fact that some consumers reportedly found it challenging to understand the contents/details of the bills they received.
- 4.1.4 The results of Macquarie University’s study correspond with research conducted for the ACMA “Reconnecting the Customer” Inquiry. The ACMA research found that among 3G mobile bill payers, 50% of post-paid consumers had received an unexpectedly high bill on a current or previous plan, while 44% of prepaid consumers had their credit depleted faster than expected on their plan¹⁶. A complementary study to this research

¹⁵ Macquarie University (2012), State of the Mobile Nation- Switching Attitudes and Behaviours of Mobile Phone Service Providers in Australia. Available at: https://researchoutput.csu.edu.au/ws/portalfiles/portal/9392859/62836_Report

¹⁶ ACMA (2012) Regulation impact Statement – Telecommunications Consumer Protections Code C628:2012. Available at: https://ris.pmc.gov.au/sites/default/files/posts/2012/07/tcp_code_ris1.pdf

also revealed that 3G bill-payers who received an unexpectedly high bill were less confident in their understanding of excess usage charges than those who had not received an unexpectedly high bill; thereby suggesting that a lower understanding of the usage charges may have been a factor in the receipt of the high bill¹⁷. The study also revealed that there was evidence that supported the theory that data users' lack of understanding of data allowance and excess data usage increased the likelihood of those users receiving an unexpectedly high bill.

Table 3: Australian Survey Responses to Causes of Bill Shock

Cause	Response	%
Voice Calls - National	390	54%
Data Usage	141	20%
SMS - National	133	18%
Voice Calls - International	94	13%
Other	78	11%
Roaming charges while overseas	78	11%
SMS -International	47	7%
Premium SMS	44	6%
Data roaming charges while overseas	41	6%
Don't Know	39	5%

Source: Macquarie University, Australia.

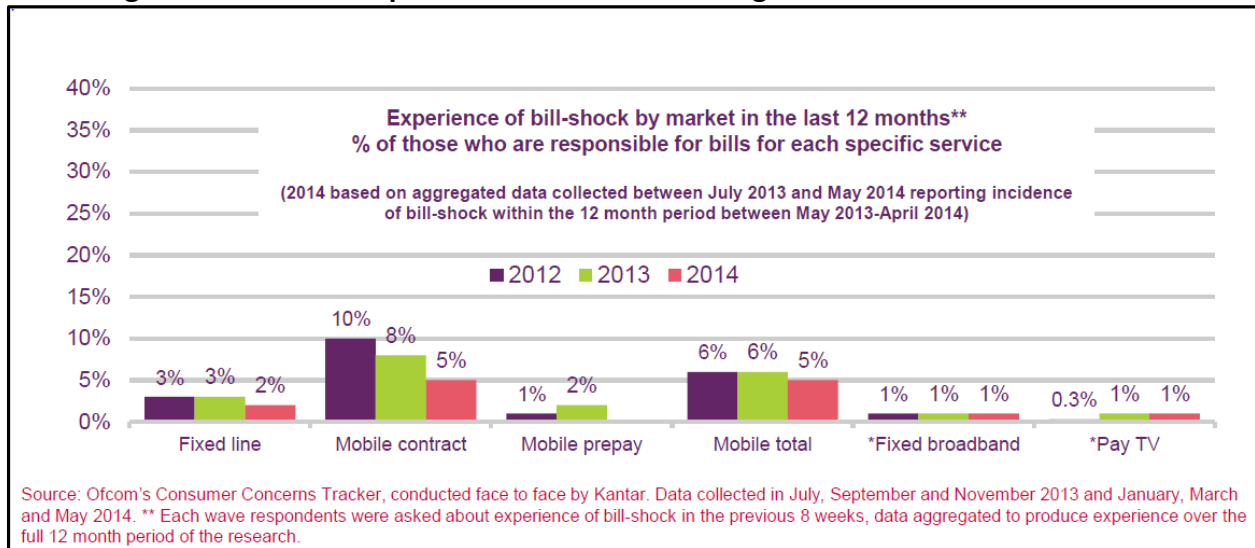
- 4.1.5 In the United States, the FCC in its “White Paper” on bill shock reported that as consumers have had to navigate more complex plans, choices, and bills, they are at increasing risk for bill shock¹⁸. The FCC found that bill shock was a common problem among consumers resulting from causes such as promotional rates that unexpectedly expire, unclear advertising, or undisclosed taxes or fees at point of sale, as well as incidences in which monthly allotment of voice minutes, text, or data consumption were exceeded for a given plan. The FCC expressed the view that these issues may occur where service providers do not always provide consumers with the necessary tools to monitor and control their usage or where service providers fail to provide consumers with complete information on the tools that are available.
- 4.1.6 In the case of the United Kingdom, an Ofcom commissioned research survey conducted in 2010 reported that mobile consumers were most likely to report having received an

¹⁷ See supra note 7

¹⁸ Federal Communications Commission (2010) - Consumer and Government Affairs Bureau, White Paper on Bill Shock. Available at: <https://transition.fcc.gov/stage/Bill-Shock-White-Paper.pdf>

unexpectedly high bill (6%), compared to landline (5%).¹⁹ Although a subsequent Ofcom survey indicated a marginal decline in reported incidences of unexpectedly high bills, the issue remains one of the focus of the regulatory body as it continues to engage consumers, consumer groups and service providers to find appropriate means of addressing the contributing factors of bill shock.

Figure 3: Bill Shock experienced in the United Kingdom Telecoms Market



4.2 Common causes of bill shock

4.2.1 As stated earlier, many of the causes of bill shock can be attributed to information asymmetry between service providers and consumers. Consumers may be negatively impacted by general information misalignment, as well as the selection of a package/plan that they do not fully understand, or one that does not fit their usage pattern. A survey conducted in the United Kingdom revealed that one-third of consumers surveyed reported that they did not use all the inclusive minutes available to them, while almost 20% of consumers on monthly contracts reportedly used less than their inclusive minutes. This contrasted with the reported 40% of consumers who bought more minutes than those allocated within their package²⁰. It can therefore be construed from the survey data that some consumers either overestimate usage levels, resulting in the selection of plans with higher monthly flat fees/charges and more allocated allowances than they

¹⁹ Ofcom (2012) Review of Unexpectedly High Bills – Findings and Next Steps. Available at: https://www.ofcom.org.uk/data/assets/pdf_file/0021/63453/statement.pdf

²⁰ See supra note 13

require; or underestimate usage and incur high rates/charges for additional minutes above those provided as part of their service plan.

4.2.2 Ofcom in a media release entitled ‘Tackling unexpectedly high bills’²¹ reported that its bill shock review identified that the main causes of bill shock in the United Kingdom were:

- Downloading data – primarily when travelling outside of the European Union.
- Automatic data downloads by smartphones without the customer realising or not realising how much data is being used.
- Exceeding inclusive allowances or calling numbers outside of allowances.
- Lost or stolen phones – resulting in substantial financial harm
- Low level of awareness of consumers on how to protect themselves from receiving high bills.
- Difficulty in finding information on data charges from service providers.

4.2.3 The causes of bill shock in the United Kingdom that Ofcom found from its bill shock review were similar to the findings of the OUR’s Billing Transparency Survey. The OUR’s survey revealed that consumers more commonly experience bill shock/unexpectedly high bill or rapid credit depletion of one or more of the following:

- Out of bundle charges
- Exceeding the service plan’s monthly caps (e.g. call minutes and data allotments)
- Roaming charges

Out of bundle charges

4.2.4 Many consumers are now purchasing bundled telecommunication services when possible, as generally services within the bundle carry discounted rates. Consumers sometimes purchase these bundles without the full information about the services that are included. They may then access services that were not included as a part of the bundle and would incur charges for those services that would not have been discounted. Consumers have complained to the OUR that service providers did not adequately explain the services included in the bundle. They further lamented that information on the applicable charges when services that were not in the bundle were accessed, was either not provided, or where provided was not explained. These ‘out of bundle’ charges

²¹ Ofcom’s media release of 2012 March 01, entitled ‘Tackling unexpectedly high bills’; available at <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2012/tacking-unexpectedly-high-phone-bills>

may result in the consumer experiencing bill shock especially in the case of data usage, where the price for the service when accessed as a ‘standalone’ can be very high per megabyte.

Exceeding monthly caps

- 4.2.5 Another incident of bill shock may arise when the services included in the bundle at the discounted rate are exhausted and then accessed at the ‘stand-alone’ rate. Services within a bundle may be subject to caps. For example, the bundle may have a limit on voice minutes, and data usage. If not carefully monitored, consumers who exceed the caps established for the services in the bundle may receive an unexpectedly high bill or experience rapid credit depletion, as they would no longer have the benefit of the discounted rate of the particular service(s) that they received before the cap was exhausted.
- 4.2.6 Consumers across different jurisdictions have expressed concern that they are usually unaware that they have exhausted their allocated allowance for a service. One possible cause of this lack of awareness may be due to the absence of tools that would enable them to monitor their usage. The inability of consumers to track charges as they accumulate or as their credit depletes, may be signalling the need to improve access to billing and credit management tools to monitor expenditure.

Roaming charges

- 4.2.7 The issue of roaming can be problematic in the telecommunications market due to the lack of transparency of its pricing structure. Roaming tariffs are complex and are usually not well understood by consumers. As roaming charges can be very contentious, the issue is discussed in detail in Chapter 5.

4.3 Bill Shock and the Consumer – the results of the OUR’s survey

- 4.3.1 As stated in Chapter 1, Section 2 of the OUR’s Billing Transparency Survey sought to obtain information only from consumers who had received an unexpectedly high bill/charge during the twenty-four months prior to the survey. The results of the survey indicated that forty-eight percent (48%) of respondents claimed to have received at least one unexpectedly high bill/charge during the period being investigated. The most common reason reported for the unexpectedly high bill/charge was “out of bundle usage” at 22%, followed by exceeding the allocated minutes/text allowance and making calls while abroad and on an international roaming plan, both at 14%. The least common reasons given for receiving an unexpectedly high bill were data usage with a roaming

plan at 3%; using data service abroad (roaming out of plan) at 6% and exceeding monthly data allowance at 7%. Interestingly, some additional causes of bill shock reported by respondents who selected the option “Other” included:

- *“Being placed on a roaming plan by service provider without the customer’s approval.”*
- *“Bills not showing usage (not itemised) and being told to visit the service provider to get a breakdown of the charges.”*
- *“Prorated charges due to switching of plans.”*
- *“Text messages being sent multiple times.”*
- *“Unexplained disappearance of credit and being told by customer service representatives that it was due to data usage.”*

Table 4: Causes of Unexpectedly High Bill

Reasons	% of respondents
Out of bundle usage (e.g. off net calls not included in plan or data usage without an allowance)	22%
Exceeding your monthly minutes and/or text allowance	14%
Using your mobile phone to make calls whilst abroad (roaming plan)	14%
Calls to an international number	13%
Other	13%
Using your mobile phone to make calls whilst abroad (roaming out of plan)	10%
Exceeding your monthly data allowance	7%
Using data service whilst abroad (roaming out of plan)	6%
Using data service whilst abroad (roaming plan)	3%

Source: OUR Billing Transparency Survey 2018

Information provision and usage control mechanisms

4.3.2 In an effort to obtain further insights into the transparency issue, respondents to the OUR’s survey were asked about information on their telecommunication services such

as whether usage alerts/usage information were provided, as well as how responsive the service providers were to complaints in relation to unexpectedly high bills/rapid credit depletion.

- 4.3.3 In this regard, respondents who reportedly received an unexpectedly high bill were asked whether they had obtained any information that would have assisted with their estimation of how much the service that led to the high bill/charge would have cost. While 26% of these respondents reportedly obtained useful information, the majority, at 74% stated that they did not obtain any information that would have enabled them to estimate the service cost prior to using the service. Of the 26% who obtained information, 50% of these respondents reportedly received the relevant information from the service provider's customer service. The remaining respondents reportedly accessed the information through social media platforms, the service providers' websites, text messages, bill stuffers and Apps. From the OUR's observation, it is at times challenging to find details of a specific plan in one place on the websites or other media platforms. This could be a reason majority of respondents did not obtain information to assist with the estimation of the cost of the service prior to using it.
- 4.3.4 As it relates to usage control mechanisms, all respondents to the survey were asked whether service providers offered mechanisms (e.g. via Unstructured Supplementary Service Data –USSD²²) which allowed them to check their usage and credit/account balance. Eighty-nine percent (89%) of respondents reported that their service provider offered usage control mechanisms. However, as it relates to alerts from service providers, (e.g. text messages informing consumers of their proximity to exhausting their credit/minutes/data plan) a lower percentage at 73% reported that they received alerts from service providers. Of these respondents, 90% reported that these alerts were utilised to inform their usage. Of the respondents who did not use the alerts received, the majority (59%) stated that the alerts were received too late from service providers to be helpful. The OUR received information from service providers that alerts were provided to customers at different stages of their credit limits/bundle balance. Notwithstanding this report from service providers, the feedback from some respondents suggests that there may be issues with the timing of alerts. The OUR has also received complaints from customers who have expressed concern that the alerts are not consistently received from service providers over the period that their subscriptions remain active.
- 4.3.5 Respondents who are post-paid subscribers were asked whether their service provider allowed them to set credit limits that would prevent them from incurring charges above the stated limit. While thirty-one percent (31%) of post-paid respondents reportedly were able to set limits, and 16% reported that they were unable to do so, more than half

²² A USSD is a Global System for Mobile (GSM) communication technology that is used to send a specific text between a mobile phone and an application program in the network. A USSD code can provide the customer with information pertaining to usage on the specific account.

of the post-paid respondents (53%) reported that they were unaware of the availability of such a usage control mechanism. This high level of unawareness may be due to insufficient information provided to customers about the service at the time of purchase. It also suggests that service providers need to undertake more post purchase customer engagements to relay information such as usage management tools that are available to consumers.

Service providers' responsiveness to complaints of unexpectedly high bills

- 4.3.6 The results of the OUR's survey indicated that 35% of respondents who received an unexpectedly high bill submitted complaints to their service provider. Of these respondents, ten percent (10%) were reportedly advised by service providers to make an arrangement to pay the bill; 13% were reportedly issued a refund/credit to the account and 7% stated that no response was received regarding the complaint. Other responses reportedly included advice from service providers to restrict background data services; "the matter would be investigated – still awaiting a response"; "the high bill was "not the service provider's fault" or "there was nothing that the service provider could do".
- 4.3.7 Bill shock can also negatively impact service providers. The inability of customers who receive an unexpectedly high bill to cover these unexpected costs can have harmful effects on the business of service providers. Additionally, bill shock can result in anger and frustration on the part of consumers and can ultimately lead to a reduction in the number of persons who want to utilize a provider's services. Unexpected charges and confusing bills inevitably means more customers reaching out to customer care for clarifications. These issues have implications for a service provider's bottom line. Further, the OUR must play its part in ensuring that Jamaica's objective of being a digital economy is not derailed or negatively impacted by transparency issues in the sector. If left unaddressed, these issues can cause detriment to consumers, service providers and the sector as a whole. It is with this in mind, that service providers are being encouraged to make expenditure management tools available to consumers that they can use to monitor their usage. Improving existing expenditure management tools as well as increasing consumers' access to more of these tools will reduce the incidences of bill shock for consumers as well as for the sector.

Chapter 5: The Issue of Roaming

5.1 What is mobile roaming?

- 5.1.1 The growth in travelling compared to a few years ago, as well as the general need for constant connectivity, has led to an increase in the demand for mobile voice and data services while abroad. Consumers now have the option of almost seamless continuity of mobile services from their local network, facilitated on foreign networks while travelling to different countries. When a consumer utilises this option for mobile services, it is considered as roaming.
- 5.1.2 The GSMA defines roaming as a “service that allows mobile users to continue to use their mobile phone or other mobile devices to make and receive voice calls and text messages, browse the internet, and send and receive emails, while visiting another country”.²³ The Australian International Industry Standard of 2013 defines roaming as “a carriage service that enables a mobile subscriber to automatically and seamlessly make, send, access or receive voice calls and SMS and to download and upload data when travelling overseas outside the normal coverage area without losing the connection”.²⁴ Simply put, roaming enables subscribers to use their mobile devices abroad on a foreign service provider’s network.
- 5.1.3 When a subscriber travels abroad and uses their mobile device, the device attempts to communicate with a mobile network in a visited country. If there is a roaming agreement between the home network and one of the mobile networks in the visited country, the call is routed by the visited network towards an international transit network. The international transit network carrier is then responsible for the call delivery to the destination network. Once this is done, the destination network will connect the call.
- 5.1.4 The pricing of roaming services can be very complicated, with different factors influencing the final price of the service. Differences in market conditions between countries is one such factor that may influence the final retail price charged to consumers for roaming. Roaming charges may include specific costs such as billing and marketing charges, as well as “Inter-Operator Tariffs” which are agreed bilaterally between the home and visited network operators. The home service provider charges the end-user for all roaming services provided based on predefined service charges.
- 5.1.5 Retail roaming tariffs can be placed into four typical categories: standard, special, daily bundles and monthly bundles. The standard tariff is usually the default tariff if the

²³ GSMA (2012), International roaming explained

Available at: <https://www.gsma.com/latinamerica/wp-content/uploads/2012/08/GSMA-Mobile-roaming-web-English.pdf>

²⁴ Australian Government (2016), Telecommunications (International Mobile Roaming) Industry Standard 2013 Available at: <https://www.legislation.gov.au/Details/F2016C00426>

subscriber has not activated a specific option/bundle. The special tariff customarily charges a fixed fee for a certain period during which the roaming subscriber gets a lower tariff than the standard tariff. Daily and monthly bundles allow roaming for a fixed fee up to a specified usage amount for the specific period. Some bundles may include all roaming services while others will only offer one or two of the services with the option to use “pay as you go” rates for other services.

5.2 Roaming and Bill Shock

5.2.1 As mentioned in chapter 4, the use of roaming services is one of the factors that may lead to incidences of bill shock. There are several reasons why this is the case, including the following:

- Consumers usually choose their service provider on the basis of the best offer/package available for their particular consumption needs and roaming is often not a major consideration for consumers given the low usage of roaming services compared to domestic services;
- Consumers are not aware of roaming prices when they enter into a contractual agreement with their mobile service providers as such prices are seldom made transparent to consumers when subscribing to mobile services. Given that there may be different roaming plans/tariffs that are available, consumers require adequate, current and clear information on these plans/tariffs to choose the most suitable roaming option for their needs. Where consumers have challenges understanding the information provided about these plans they may not make the best selection, which may result in bill shock.
- Some consumers are not aware that their sophisticated mobile device can automatically connect to the internet if the option to do so is not switched off. This lack of awareness can result in them unknowingly running up a high bill.
- The process of billing for roaming can also contribute to the incidences of bill shock. In order to bill consumers for their usage of roaming services, the visited network operator must capture and record the usage details and then calculate the wholesale roaming charges that is owed by the home network operator. The home network operator will then bill the consumer. The time lag between consumers’ use of the service, and the settlement process between the operators means that billing information is not available to consumers in real-time when they are roaming. This leads to situations where consumers are unable to properly gauge their usage of the services, thus increasing the likelihood of bill shock.

Roaming Effects- International

5.2.2 In many countries, roaming is often one of the reasons consumers experience incidences of bill shock. In the United Kingdom, Ofcom in its *Review of Unexpectedly High Bills: Findings and Next Steps* ('the Review') reported that the consumer complaints it received over an eight month period in 2011, were predominantly about unexpectedly high bills due to roaming outside of the EU.²⁵ The Review also provided information obtained from its "Call for Inputs" study and its Consumer Research on the proportion of unexpectedly high bills/charges that were attributed to roaming. Table 5 provides a summary of the findings in this regard.

Table 5: Percentage of consumers experiencing unexpectedly high bills due to roaming outside of the EU

	Call for Inputs	Ofcom Complaints	Ofcom Research*
Data	20%	47%	6%
Voice	6%	1%	6%

Data Source: Ofcom: Review of Unexpectedly High Bills: Findings and Next Steps

*The Research did not provide a breakout of the results for data and voice roaming services.

5.2.3 In Canada, the CRTC commissioned *Wireless Code Public Opinion Research 2018* found that roaming remains the second most popular reason for bill shock at 17% of all bill shock experiences.²⁶ The research reported that many Canadians continue to find it challenging to manage roaming fees while travelling. Only half of Canadians (52%) reportedly found it easy to manage roaming fees which is similar to the previous year's findings (53%). The research also highlighted that Canadians continue to struggle to understand the cost of roaming. In a report entitled *Consumer and Wireless Data Roaming*, prepared by the Public Interest Advocacy Centre (PIAC), it was stated that 89% of Canadians surveyed reported that they received an unexpectedly high bill for data roaming charges.²⁷ The PIAC further reported that the majority of respondents to its survey expressed their frustration with the data roaming fees, as they felt these fees were, at the very least, a little too high. This position by Canadian consumers was reflected in a report by the Organisation of Economic Co-operation Development

²⁵ See supra note 19

²⁶ CRTC, (2018), *Wireless Code Public Opinion Research*

Available at: <http://epe.lac-bac.gc.ca/100/200/301/pwgsc-tpsgc/por-ef/crtc/2018/068-17-e/report.pdf>

²⁷ PIAC (2012), *Consumers and Wireless Data Roaming*.

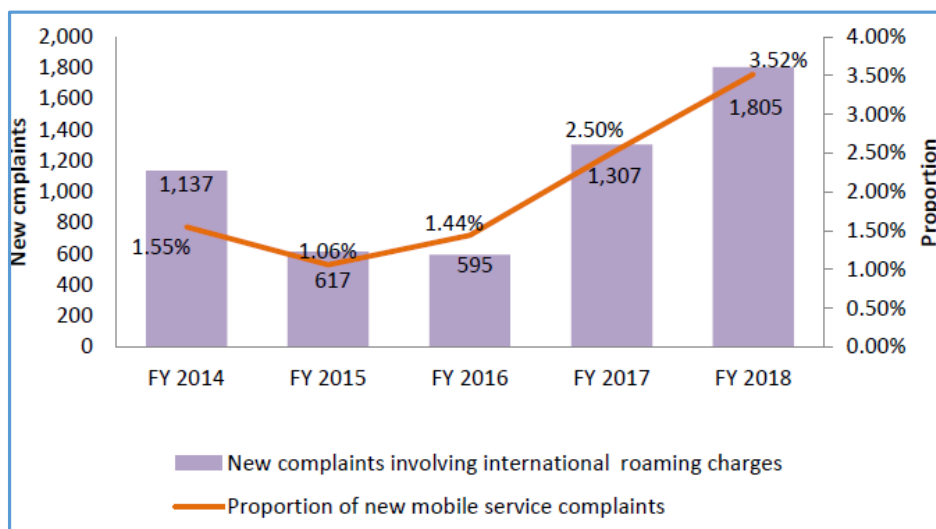
Available at: https://www.piac.ca/wp-content/uploads/2014/11/piac_consumers_wirelessroaming_final.pdf

(OECD) which indicated that Canada had the highest data roaming prices for a one session, 1 MB traffic exchange among OECD countries.²⁸

5.2.4 The Macquarie University’s *State of the Mobile Nation 2012*, found that of the 45% of mobile consumers who experienced bill shock in Australia, 17% of those were due to roaming.²⁹ The Telecommunications Industry Ombudsman’s (TIO), in its submission to the ACMA’s 2018 Review of the International Mobile Roaming Standard, found that the proportion of mobile complaints that relate to roaming has been trending upwards since 2017, subsequent to a decline in the years 2015 and 2016.³⁰ This information is illustrated in Figure 5. The TIO’s submission also indicated that the complaints it received about roaming included:

- No warnings or usage alerts received on tablets while overseas;
- Unclear information regarding what is included in the roaming plan such as countries and services covered by the plan;
- Automatic data usage due to apps on tablets; and
- Technical issues with the activation of the roaming plan.

Figure 4: New complaints received about roaming FY 2014 -2018



Source: TIO Submission to the ACMA’s 2018 Review of the International Mobile Roaming Standard

²⁸ OECD (2011), International Mobile Data Roaming. Available at: <http://www.oecd.org/internet/broadband/48127892.pdf>

²⁹ See supra note 15

³⁰ Telecommunications Industry Ombudsman’s submission to the ACMA’s 2018 Review of the International Mobile Roaming Standard. Available at: https://www.tio.com.au/_data/assets/pdf_file/0004/257305/TIO-Submission-2018-ACMA-Review-of-the-International-Roaming-Standard-20180914-FINAL.pdf

5.2.5 In the United States, the FCC reported in its White Paper on Bill Shock, that many bill shock cases in its complaint database related to unexpected increases from roaming fees.³¹ The National Consumer League (NCL) in its comments to the FCC in the matter of “Empowering Consumers to Avoid Bill Shock” urged the FCC to take immediate action to address the continuing problem of bill shock stemming from mobile roaming services.³² The NCL specifically requested that the FCC examine the role that roaming services, in particular, data roaming services, play in incidences and severity of consumer bill shock. The NCL highlighted concerns such as:

- the continuing concern expressed by consumers about roaming related bill shock;
- the role that smartphones and mobile device technology plays in occurrences of roaming related bill shock and
- the lack of efforts by service providers to educate consumers regarding the use of their devices while overseas.

The NCL also found that roaming rates charged by service providers varied widely in price, data allotment, overage rates and countries covered. Additionally, it commented that its review of the Frequently Asked Questions (FAQs) and travel tips sections of four major service providers found a lack of information about alternatives to high “pay-as-you-go” roaming rates. In particular, the NCL highlighted the fact that the service providers did not advise consumers of the option of purchasing a local SIM and/or a prepaid data plan in the visited country which would result in significant savings to the consumer.

5.2.6 In Malaysia, the Communications and Multimedia Consumer Forum (CFM), in its article entitled “*Avoid Bill Shock During Pilgrimage*”, reported that it continues to receive consumer complaints regarding unexpectedly high bills associated with roaming data and voice services. The CFM had reportedly received 170 roaming related complaints in 2017, and as at June 2018, this category of complaints stood at 52.³³ The CFM recommended that consumers equip themselves with information on roaming prices and packages offered by their service providers especially during travel by Malaysians during the “Hajj” season pilgrimage.

³¹ See supra note 18

³² National Consumers League 2016, Empowering Consumers to Avoid Bill Shock: Comments of the National Consumers League. Available at: [https://d3n8a8pro7vhmx.cloudfront.net/ncl/pages/3171/attachments/original/1476298320/NCL_IMR_Comments_10122016_\(FINAL\).pdf?1476298320](https://d3n8a8pro7vhmx.cloudfront.net/ncl/pages/3171/attachments/original/1476298320/NCL_IMR_Comments_10122016_(FINAL).pdf?1476298320)

³³ Communications and Multimedia Forum of Malaysia – “Avoid Bill Shock During Pilgrimage”. Available at: <http://www.consumerinfo.my/avoid-bill-shock-pilgrimage/>

5.2.7 Studies requested by the EU Parliament indicated that in 2007 more than 40% of European mobile users did not have a clear idea of the cost of calls abroad whilst travelling.³⁴ The 2017 *BEREC Report on Transparency and Comparability of International Roaming Tariffs*, which compiles information on the transparency and comparability of roaming tariffs from National Regulatory Agencies (NRAs) and operators within the EU, showed that for the 2016 period, 76% of responding NRAs received complaints on transparency issues related to roaming.³⁵ This was an increase compared to the 58% of NRAs who received such complaints in the 2016 report. Complaints included:

- consumers being unaware of the applicable roaming tariff;
- the special tariff not being applied and
- roaming volumes being incorrectly billed.

Roaming Effects - Local Market

5.2.8 Jamaican consumers have also had their share of issues related to roaming. As seen in Table 4 of Chapter 4, of the 48 per cent of respondents who experienced at least one unexpectedly high bill/charge in the last 24 months, roaming accounted for 33 per cent of the reported reasons for the high bills/charges. Recent local incidences of unexpectedly high bills/charges whilst traveling abroad have also highlighted that some users do not fully understand their complex devices. Many of the incidences were reportedly due to persons being unaware that they have connected to a service provider's network in the visited country, which can result in the receipt of an unexpectedly high bill/charge.

5.2.9 In an October 17, 2015 Jamaica Observer *Tell Claudienne*³⁶ article, a mobile consumer complained of having received an over J\$20,000 phone bill while 'on a roaming plan'. The consumer reported that the provider's website had been visited and attempts made on several occasions through its customer service to sign up for a roaming plan, and to verify that she was on that roaming plan. However, the customer reported that she subsequently found out, having received the high bill, that the service operator failed to activate the roaming plan as requested before travelling.

³⁴ Palmigiano, Alessandro & Sammut-Bonnici, Tanya & Blackman, C & Bohlin, Erik & Forge, S & Renda, Andrea & V Verderame, S. (2006). Technical issues on roaming: transparency, technical aspects and data overview related to the proposed regulation on roaming. Available at: http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-ITRE_NT%282007%29382177

³⁵ BEREC(2017), BEREC Report on Transparency and Comparability of International Roaming Tariffs Available at: https://berec.europa.eu/eng/document_register/subject_matter/berec/reports/7526-berec-report-on-transparency-and-comparability-of-international-roaming-tariffs

³⁶ http://www.jamaicaobserver.com/business/Digicel-satisfies-customer-who-misunderstood-roaming-plan_19233984

- 5.2.10 In July, 2017 the OUR, responded to the many consumer concerns of depletion of call credit for data usage and high roaming charges in an article entitled *OUR's Stance on Roaming, Credit Swipe* carried by the Jamaica Gleaner,³⁷. The OUR stated in the article that it was aware of the roaming issues expressed by consumers, and that it would be taking steps to provide greater transparency for consumers to protect them from bill shock arising from roaming charges.
- 5.2.11 Similar to complaints received from consumers in other jurisdictions regarding their inability to access information on the prices and conditions of roaming services, the OUR billing survey and the media reports, highlighted the perceptions of the Jamaican consumer towards the availability of information on roaming services. Information gleaned from the survey suggests that whilst information found on websites is important, not many consumers may use or have access to this avenue to obtain information. Furthermore, given the complex nature of roaming tariffs/plans, this information needs to be provided in a simplified manner that is easily understood by the consumer.
- 5.2.12 From observation of the websites of local service providers, information provided on these sites as at 2019 April 15, included data travel guides which allowed users to see the rates to, among other things, call home and receive calls on different partner networks in multiple countries. These rates were however unclear as it was not specified whether one had to be on a roaming plan or not to receive such rates. Regarding details on plans and general service information, the local service providers also had Terms and Conditions and FAQs related to roaming that were accessible from their roaming information page.

5.3 Consumer Protection Measures – Regulators' Perspective

- 5.3.1 As discussed in Chapter 3, the push towards greater transparency is evident through the actions taken by telecommunication regulatory authorities worldwide. Specific measures have been designed by regulators which aim to reduce the harm to consumers from bill shock arising from the use of roaming services.

Canada

- 5.3.2 In Canada, the Wireless Code requires mobile providers to suspend data roaming charges when the consumer reaches \$100 per billing cycle, unless explicit permission is received from the consumer to continue the service.³⁸ It is also a requirement that consumers are notified when their device is roaming in another country and this notification should

³⁷ <http://jamaica-gleaner.com/article/focus/20170723/elizabeth-bennett-marsh-ours-stance-roaming-credit-swipe>

³⁸ CRTC (2017) -Communications Monitoring Report 2017: Canada's Communication System: An Overview for Canadians. Available at: <https://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2017/cmr2.htm>

clearly explain roaming rates. The CRTC has mandated that all Canadian wireless providers sell mobile phones that are unlocked and to unlock free of charge, previously sold phones upon request. This gives subscribers the flexibility to purchase SIM cards when travelling and so avoid roaming charges which may be unnecessarily high.

Australia

5.3.3 In 2013, ACMA created the *International Mobile Roaming Standard* (“the Standard”) to deal with potential damage to consumers from bill shock arising from the use of mobile roaming services.³⁹ The main aspect of the Standard is the information obligation of mobile service providers to inform consumers about roaming costs. In summary, they are required to provide:

- price information upon activation of roaming;
- cost notifications upon arrival in the visited country and
- spend management tools and usage updates to consumers to assist them to manage their spending on roaming services.

5.3.4 The suite of protections was made applicable to MNOs, while its application was staggered for MVNOs. The implementation of the Standard in 2013 led to a marked decrease (approximately 35%), in the number of roaming-related complaints made to the Australian Telecommunications Industry Ombudsman from 2013 to 2014⁴⁰. A review of the Standard was conducted in 2018 that sought to determine if the Standard remained fit for purpose in light of changes in the roaming services market. The review identified that there was a need to retain the Standard, but that there were areas that could be improved to make regulation more flexible, given the changes in mobile phone use abroad. Based on the review, it was determined that MVNOs should begin to provide the full suite of protections on 2019 January 1.

United States

5.3.5 In October 2010, the FCC issued a Notice of Proposed Rulemaking (NPRM) which put forward proposals to reduce consumer bill shock experiences. These proposals included:

- usage notifications when consumers approach the allotted limit for voice, text, and data usage;

³⁹ See supra note 24

⁴⁰ ACMA Review of the International Mobile Roaming Standard Outcomes of Review. Available at: <https://www.acma.gov.au/theACMA/review-of-the-international-roaming-standard>

- usage notifications when consumers reach the allotted limit for voice, text, and data usage;
- notifications when consumers could be charged higher rates than normal or when services would be covered by their monthly plans; and
- clear, conspicuous, and ongoing disclosure of any tools or services that allow subscribers to set usage limits or monitor usage balances, including any applicable charges for those services.

In 2011 an agreement was reached by the major U.S. service providers to modify the existing voluntary Consumer Code for Wireless Service to include some provisions proposed by the NPRM.⁴¹ In addition, the service providers committed to provide alerts to consumers without an international roaming plan/package whose devices have registered abroad and who may incur roaming charges.

Qatar

5.3.6 In October 2015, the Communications Regulatory Authority (CRA) in the State of Qatar, issued an “Instruction and Order” (‘Instruction’) implementing price controls on rates for all roaming services. The Instruction provisions were subsequently updated in April 2017. The following were specified in the CRA in its Instruction:

- licensees are required to adopt the tariffs for wholesale and retail roaming as stipulated;
- licensees are required to provide consumers with thresholds in terms of charges incurred for mobile roaming voice, SMS and data services and
- consumers must receive notification alerts when the threshold is achieved or exceeded.

Compliance with this Instruction is mandatory for service providers, for which failure to comply may result in penalties and sanctions prescribed under the relevant Telecommunications law.

Singapore

5.3.7 The Infocomm Media Development Authority (IMDA) of Singapore implemented consumer protection measures in 2011 that required operators to put in place new

⁴¹ FCC (2015), Bill Shock: Wireless Usage Alerts for Consumers. Available at: <https://www.fcc.gov/general/bill-shock-wireless-usage-alerts-consumers>

systems to help consumers prevent unwanted mobile charges caused by data roaming.⁴² To minimise bill shock, mobile operators are required to:

- obtain explicit consent from their subscribers before providing any roaming service;
- provide an option for consumers to limit their data roaming usage in a monthly billing cycle to S\$100;
- allow consumers to deactivate data roaming service prior to leaving Singapore and reinstate the data service upon their return to the country and
- explicitly direct consumers to the prices, terms and conditions of the roaming services to ensure that consumers can make an informed choice on whether or not to utilise these services.

European Union

5.3.8 In the EU, the first Regulation on roaming services, published in 2007, capped roaming prices and established a number of transparency provisions to assist consumers.⁴³ These included provisions for operators to:

- enable their roaming customers to easily obtain information free of charge on the roaming charges applicable to them when making or receiving voice calls in a visited Member State;
- give their customers, on request and free of charge, additional information on the per-minute or per-unit data charges (including Value Added Tax) for the making or receiving of voice calls and also for the sending and receiving of SMS, MMS and other data communication services in the visited Member State;
- furnish information on roaming charges when subscriptions are taken out and each time there is a change;
- provide information on roaming charges by appropriate means such as invoices, the internet, TV advertisements or direct mail;
- ensure that all their roaming customers are aware of the availability of regulated tariffs and

⁴² IMDA (2017), Press Release: Data Roaming. Available at: <https://www.imda.gov.sg/community/consumer-education/infocomm-regulation/data-roaming>

⁴³ Official Journal of the European Union (2007), Regulation (EC) No 717/2007 Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:171:0032:0040:EN:PDF>

- send clear and unbiased communication to customers describing the conditions of the regulated tariffs and the right to switch to and from it.

Subsequent amendments were made that included further price regulation and retail transparency measures. Safeguard mechanisms to protect consumers with financial and volume limit on data roaming were also upgraded. “Roam Like at Home” (RLAH), wherein retail roaming surcharges were abolished across the EU, was introduced in 2014 and amended thereafter.

United Kingdom

- 5.3.9 In addition to adopting the EU’s roaming regulation, Ofcom mandated that as of 2018 October 1, all mobile providers must give the option to limit the cost of bills to new customers and to any existing customer who agrees to extend their contract or enter into a new contract.⁴⁴ The bill limit established by the customer will also apply to roaming services.

Hong Kong

- 5.3.10 In 2010 Hong Kong’s telecommunication’s regulator introduced a set of voluntarily preventive measures, similar to the mandatory requirements imposed in the EU, to increase the transparency of service information and to protect consumers from incidents of bill shock arising from the use of roaming services.⁴⁵ Some of these measures included:
- consumers being allowed to opt out of specific services such as roaming; and
 - alerts to consumers through short messages as to when their roaming data usage is triggered.

The regulator continues to publish on its website updated versions of the measures adopted by individual mobile operators to address mobile bill shock.

⁴⁴ Ofcom (2018), Mobile bill limits. Available at:

<https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/costs-and-billing/mobile-bill-limits>

⁴⁵ Legislative Council Secretariat Hong Kong, (2010), Information Note: Preventive measures of mobile bill shock implemented in the European Union Available at: <https://www.legco.gov.hk/yr10-11/english/sec/library/1011in06-e.pdf>

South African Development Community

5.3.11 The South African Development Community (SADC)⁴⁶ initiated a Roaming Project in June 2007 to ensure that rates for mobile roaming services within the SADC become affordable. In this regard, the SADC Roaming Regulations were promulgated in 2015.⁴⁷ The regulation provides transparency and safeguard mechanisms for consumers in relation to the provision of voice, data and SMS services. Some of these include:

- the provision of information by the service provider on the availability of roaming services and applicable charges, sent free of charge to the customer's mobile device every time the customer enters a visiting member state;
- the provision of information on the pricing structure for roaming services, such as:
 - i. tariff per minute of incoming and outgoing calls;
 - ii. tariff per SMS sent or received and
 - iii. tariff per megabyte of data used.

Additionally, the service provider should send the customer a link to its website or provide a customer service telephone number where updated retail roaming tariff information can be obtained.

- the right for customers to request and receive, free of charge, more detailed pricing information on roaming charges that apply in the visited country;
- automatically providing, free of charge, basic pricing information to blind or partially-sighted customers by a voice call, at their request and
- sending an alert to the roaming customer when the data roaming services have reached fifty percent (50%) of the agreed volume limit, where the customer is using a roaming data package.

Eastern Caribbean

5.3.12 The Eastern Caribbean Telecommunications Authority (ECTEL⁴⁸), which serves five Eastern Caribbean countries, is also concerned with the issue of costly roaming rates and

⁴⁶ SADC countries include: Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia, and Zimbabwe.

⁴⁷ SADC Roaming Regulations (2015). Available at: <https://www.itu.int/en/ITU-D/Regulatory-Market/Documents/Roaming/SADC%20HOME%20AND%20AWAY%20ROAMING%20%20REGULATIONS%20APPROVED.pdf>

⁴⁸ ECTEL Member States: Dominica, Grenada, St Kitts and Nevis, Saint Lucia and St Vincent and the Grenadines

as such, it has drafted a Roaming Services Bill⁴⁹ to support the new Electronic Communications Bill⁵⁰. Important aspects of the Roaming Bill include:

- the regulation of wholesale roaming agreements and roaming charges between licensees and providers;
- the requirement for providers to provide roaming consumers with notifications which include information on the charges for roaming services;
- the requirement for providers to send usage alerts; and
- the provision of emergency services number and network access for emergency calling to persons who roam on ECTEL provider networks.

Trinidad & Tobago

5.3.13 In 2017, TATT published a Consultation Document on a facilitative framework for international mobile roaming. The document outlined key regulatory approaches to international mobile roaming⁵¹. In the document TATT proposed that:

- operators implement consumer-empowerment initiatives;
- local mobile operators provide clear information to consumers on roaming tariffs and
- notifications and warnings should be issued to users who roam with instructions on how to obtain additional information.

5.4 Consumer Protection Measures – International/Regional Regulatory Organisations

5.4.1 International/regional bodies have also developed recommendations to limit the incidents of bill shock due to roaming. Included are measures/actions that have been recommended to regulators, service providers and consumers by some of these organisations.

⁴⁹ ECTEL (2017), Draft Roaming Bill and Regulations

Available at: <https://www.ectel.int/wp-content/uploads/2018/01/Draft-mobile-EC-Roaming-Services-Bill.pdf>

⁵⁰ ECTEL (2018), Revised Electronic Communications Bill

Available at: <https://www.ectel.int/wp-content/uploads/2019/03/Electronic-Communication-Bill-Final-14-May-2018.pdf>

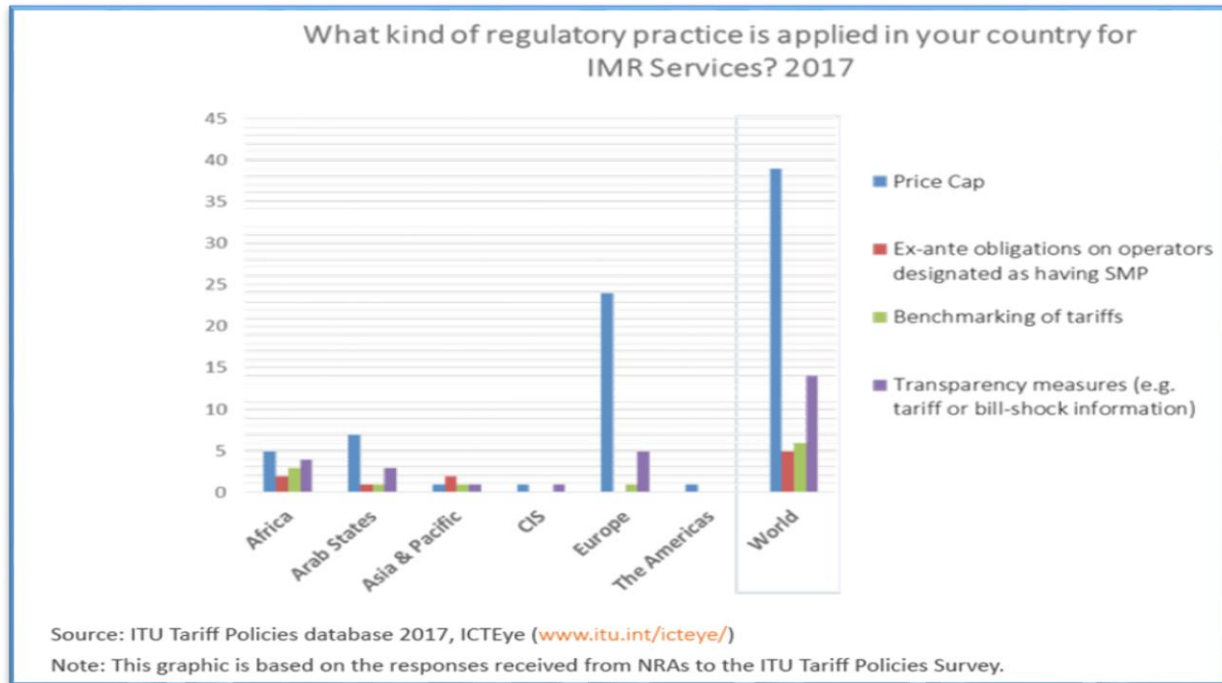
⁵¹ TATT (2017), Facilitative Framework for International Mobile Roaming (IMR) for Trinidad and Tobago. Available at:

https://tatt.org.tt/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=995&PortalId=0&abId=222

ITU

- 5.4.2 The International Telecommunications Union (ITU) does not strongly advocate for price regulation of international mobile roaming rates, citing ineffectiveness without bilateral and regional agreements. Figure 6 depicts the regulatory measures being employed globally to address the issue of roaming. The figure shows that “transparency measures”, such as detailed billing information, are increasingly being used by regulatory agencies worldwide.

Figure 5: Regulatory practices by countries in regions



- 5.4.3 The ITU promotes the exploration of ways to protect and empower consumers in determining their best choices among the array of options available to them in the rapidly evolving mobile marketplace. This can be achieved through, for example, making information on roaming services clearer and more transparent, and making it easier for consumers to choose a network abroad that offers the best value. In addition, alerts can be sent to consumers when they approach a certain cost limit for roaming, with a block placed on further usage unless a consumer authorizes it.

GSMA

5.4.4 In June 2012, the GSMA launched its Data Roaming Transparency Initiative in which different operators, including many large operators, consented to implement initiatives that will assist their subscribers to increase their understanding of the mobile roaming plans available.⁵² The operators involved have agreed to adopt transparency measures such as:

- text message alerts, to include roaming tariffs, when subscribers enter roaming zones and reach data limits;
- monthly data spend limits to help subscribers avoid bill shock and
- temporary service disablement when a subscriber exceeds his data limit.

CARICOM

5.4.5 Along with the regulatory measures in specific countries, there is also a move towards creating a single Caribbean Community (CARICOM) ICT space. The Vision and Roadmap for the Single ICT Space which were approved in February 2017 by the CARICOM Heads of Governments outline the policy directions required for the implementation of the Single ICT Space.⁵³ Included under the tenet “Common frameworks for Governments, ICT service providers and consumers” is the policy element “Minimisation/Elimination of mobile voice and data roaming charges” which is expected to contribute to the enhancement of regional trade, innovation, competitiveness and citizen welfare within the region. It remains to be seen how the Single ICT Space will impact regulatory measures for roaming within CARICOM but it is hoped that it will encourage increased transparency and ultimately result in the reduction/elimination of incidents of bill shock caused by roaming within the region.

⁵² GSMA (2012) - Press Release: GSMA Launches Data Roaming Transparency Initiative.

Available at: <https://www.gsma.com/newsroom/press-release/gsma-launches-data-roaming-transparency-initiative/>

⁵³CTU (2017), Vision and Roadmap for a CARICOM Single ICT Space.

Available at: https://caricom.org/documents/15510-vision_and_roadmap_for_a_single_ict_space_-_final_version_updated.pdf

Chapter 6: The OUR's Proposed Remedies

6.1 Basis for the proposed remedies

6.1.1 Service providers are strongly encouraged through self-regulation to provide consumers with sufficient and accurate information that will enable them to make informed choices. Consumer complaints in the media, those received by the OUR and the results of its survey on billing transparency have provided evidence of the presence of information asymmetry in the local telecommunications sector. Regulators have a role in consumer protection and empowerment, especially in the changing telecommunications landscape. As related in this document, regulators in different jurisdictions have demonstrated this role by intervening in the sector to address some of the transparency issues identified. In a similar manner, the OUR intends to use its powers under the OUR Act and the Telecommunications Act to promote information disclosure by the service providers, which will assist consumers in their pre and post purchasing activities. The OUR is aware of initiatives implemented or being considered by local service providers to address some of the transparency issues. Notwithstanding any such initiatives, the OUR is of the view that it is important to establish some minimum standards in the sector on information provision in relation to telecommunications products and services. The ensuing remedies proposed are intended to remove some of the information asymmetry currently experienced by consumers and to assist with consumer education and participation in the telecommunications markets. All information proposed to be provided shall be made available in a manner that is accessible to and usable by consumers with disabilities.

6.2 Information on Service Plans/Bundles

6.2.1 Consumers rely on information from service providers to make decisions about purchases. As discussed, consumers may suffer impairment when information is withheld. This is especially likely in circumstances where information on service plans/bundles are presented in a complex manner that is difficult to understand and important information on the plan is hard to find or hidden in the fine print.

6.2.2 The OUR is mindful of the responsibility of consumers to inform themselves about the services they intend to purchase or have purchased. Consumers' ability to do this however is determined and enhanced by the availability of clear and accessible information regarding specific aspects of the service. The OUR is aware that there are different ways in which a consumer can purchase a service such as 'in store', via Apps or from the service provider's website. Regardless of the medium chosen by the consumer, service providers must include a clear description of the service before it is purchased/activated. The following remedy is proposed:

6.2.3 Proposal 1 (a): General Provision of Information on a Service - Unbundled

I. Service providers shall make available to consumers, information that is clear and current pertaining to applicable prices and tariffs of their services. The information published shall include but not limited to the following:

- (a) A clear description of the service*
- (b) any cap that may be applicable to the particular service*
- (c) the standard tariff that is applicable*
- (d) any applicable taxes*
- (e) a breakout of the charges for access, usage and/or maintenance where applicable*
- (f) details of any discounts which may have been applied*
- (g) the standard contract conditions offered including any relevant fixed commitment period*

6.2.4 Proposal 1(b): Provision of Information Pertaining to Bundled Services

I. Service providers shall make available to consumers, information that is clear and current pertaining to applicable prices and tariffs of a bundled service. The information published shall include but not limited to the following:

- (a) A clear description of each service⁵⁴ included in the bundle.*
- (b) the details of any cap that may apply to each services in the bundle such as inclusive minutes, SMS, and data limits*
- (c) the applicable tariff for the bundled service*
- (d) any promotional/one-time discount that may have been applied*
- (e) the applicable tariffs if the services in the bundle are accessed after the allowances/caps are exhausted.*
- (f) the standard contract conditions offered including any relevant fixed commitment period.*

⁵⁴ This shall include information on any limitation that may apply in the use of the service. For example, if there are regions/networks where the minutes included in the bundle would not apply, this shall be stated.

6.2.5 **Proposal 1(c): Provision of Information pertaining to Roaming Services**

- I. Service providers shall make information available to consumers for roaming services as per proposals 1(a) and (b) where applicable.*
- II. The information on roaming prices shall include the structure and billing unit of international mobile retail rates. This information shall include at a minimum, the basis of charging for:
 - (a) voice services (for example charged on a per-minute basis);*
 - (b) SMS (for example charged on a per text message basis) and*
 - (c) data services (for example charged on a per megabyte basis).**
- III. Service providers shall make information available to all roaming customers on the risk of automatic roaming including:
 - (a) how to switch off data and voice roaming services on their devices and*
 - (b) how to deactivate voicemail.**
- IV. Service providers shall provide customers with a contact number that may be used free of charge while roaming to access detailed usage information on:
 - (a) voice calls*
 - (b) SMS and*
 - (c) data services.**

6.2.6 **Proposal 1(d): Method of Publication of Information on Services**

- I. Service providers shall make available to consumers, the information on its services in proposal 1(a), 1(b) and 1(c) as follows:
 - (a) The information shall be written in plain English, and made available by the service provider or its agent at the time the service is being purchased/contracted by the customer. Where the service can be purchased directly from electronic platforms such as Apps, the information shall be provided to the customer on the platform before it is purchased/activated.*
 - (b) the customer shall also have access to the information pertaining to each service from at least one of the following:
 - i. the service provider's website*
 - ii. SMS*
 - iii. Print media***

- iv. Service provider's Apps*
- v. Bill stuffer, or*
- vi. in such manner or form as directed by the OUR*

II. Where a reasonable request is otherwise made by the customer for a copy of the information on a particular service(s), the information shall be provided free of charge.

6.3 Pricing information in Advertisements

6.3.1 Service providers are known to use advertising and marketing strategies to obtain “buy in” from consumers, especially in regard to new services being offered. The OUR is however concerned that consumers can be misled in instances where key features of the product are not accurately represented. When important details such as pricing is not provided or not completely represented in advertisements consumers are not fully informed in their comparison of service plans. There may also be issues such as how the information is framed to influence buying decisions as opposed to giving the customer full information in the advertisements. Framing may present words such as ‘free’ and ‘unlimited’ in a manner that does not reflect the complete makeup of the service. Additionally, the use of the term ‘cap’ where the amount being advertised represents a minimum and not the maximum amount, can confuse customers and lead to bill shock. The following is therefore proposed to address some of the information gaps in advertisements on service offerings as well as to eliminate some framing biases that may be included:

6.3.2 Proposal 2: Clearer pricing and framing information in advertisements

- I. Service providers shall clearly disclose the following in its advertisement:*
 - (a) Accurate information regarding the service (e.g. the expected download/upload speeds for broadband services)*
 - (b) full information on the price of the service*
 - (c) Any promotional discounts applied*
 - (d) The period to which the discount is applicable*
 - (e) Any terms and conditions applicable to the specific promotion*

6.4 Financial Caps

- 6.4.1 The OUR is mindful of the financial burden that can arise from bill shock. Both the customer and the service provider can be negatively impacted by a bill shock event. In the case of the post-paid customer, the event may result in an unplanned expenditure, or the disconnection of the service if the bill is unpaid. The experience of the pre-paid customer may be less dramatic, but similar in the sense that the event could result in an unplanned expenditure to recharge the service, or the service is no longer available if the customer is unable to recharge the account.
- 6.4.2 In the case of the service provider, where the customer is unable to make payment, it would result in loss of revenue to the company. The impact of such losses would be significant if customers impacted by an unexpectedly high bill are unable to pay these bills.
- 6.4.3 In an effort to protect both parties, the OUR is of the view that financial caps should be established that would serve to limit the financial liability of the customer to the service operator. This general cap on the account would also apply when a customer is roaming unless the customer establishes a separate roaming cap with the service provider.

6.4.4 **Proposal 3: The Establishment of Financial Caps**

Service providers shall set financial caps for all new post-paid contracts.

I. At the time the service is being contracted the service provide shall:

- (a) request information from the customer pertaining to the financial cap to be applied to the service.*
- (b) Inform the customer that the financial cap established shall be applicable when roaming.*
- (c) Inform the customer of the option to ‘opt out’ of the financial cap prior to roaming if a separate roaming plan is purchased.*

II. Service providers shall allow existing customers to ‘opt in’ to a financial cap.

6.5 Notifications on usage and Limits

- 6.5.1 Usage control mechanisms/tools when utilised correctly, can provide assistance to consumers in tracking their usage and managing their expenditure on services. The OUR is aware that some of these usage tracking and expenditure management tools (*e.g. USSD which provides information on account and bundle balances when accessed by consumers and setting credit limits*) are currently made available by service providers

and are being utilised by consumers. The OUR is however specifically concerned with the adequacy and effectiveness of the operation of the ‘automatic’ usage alerts/notifications that are sent to consumers. While the OUR was informed by service providers that notifications such as those associated with data bundle exhaustion are sent to both prepaid and post-paid consumers at appropriate intervals, some consumers have expressed the concern that alerts/notifications usually arrive too late to be effective. While consumers should have a vested interest in engaging in self-monitoring of their usage, improvements in the application of usage alerts by service providers can assist in controlling overage charges especially in relation to data usage. Consumers have lamented that it can be difficult to estimate the quantity of data that various applications consume. Additionally, significant data roaming and overage charges can be incurred unintentionally due to applications on consumer devices that may be running in the background. It is also common for consumers to incur data overage charges or experience rapid credit depletion when data-intensive applications such as video streaming apps are utilized. Consumers can exercise greater control over their usage in these and other circumstances if alerts are automatically and consistently sent by service providers at specific intervals prior to and as at the exhaustion of the service plan (e.g. limits on data usage, voice minutes, roaming, text messages, etc.).

6.5.2 Proposal 4: Automatic usage notification alerts

- I. Service providers shall automatically send usage notification alerts to customers without a requirement to ‘opt in’ to this provision. Notifications shall:***
 - (a) be free of charge;*
 - (b) be provided in an electronic format such as a SMS;*
 - (c) contain the date and time the notification was sent*
 - (d) remain for the customer’s review as required*
- II. Usage notification alerts shall be sent in relation to the following services:***
 - (a) Data*
 - (b) Voice*
 - (c) SMS*
- III. Whether the service is purchased as a standalone or as a bundle, separate usage notification alerts shall be sent for each of the services listed for the following usage/expenditure thresholds:***
 - (a) The customer shall receive the first usage alert at the 60% usage/expenditure threshold.*

- (b) *The customer shall receive the second usage alert at the 80% usage/expenditure threshold.*
 - (c) *The customer shall receive the third usage alert at 100% indicating that the allotment for the service(s) has been exhausted or that the expenditure on the service has reached the financial cap established.*
- IV. *Where the service is purchased as a standalone, the alerts shall be based on the financial cap established.*
 - V. *In the case of bundled services, the customer shall receive a second notification at the 80% usage threshold providing an option to 'opt in' to the 'out of bundle'/standard rate for the service(s).*
 - VI. *Where the bundle or an individual allotment is exhausted, the customer shall only incur additional charges where the option to 'opt in' was accepted.*
 - VII. *Where the customer 'opts in' to the 'out of bundle'/standard rate, charges incurred for the additional use of the service(s) shall be subject to the financial cap established by the customer. (see Proposal 3 on financial caps)*
 - VIII. *Roaming Activation and Usage Notification Alerts*
 - (a) *Service providers shall send notification via text to consumers upon activation of a roaming plan and upon the start of roaming (landing).*
 - (b) *These notifications shall be free of charge and shall include information on any charges to consumers for:*
 - i. *receiving a call from the home country;*
 - ii. *receiving a call from within the visited country;*
 - iii. *receiving a call from other international numbers;*
 - iv. *calling the home country;*
 - v. *calling within the visited country;*
 - vi. *calling other international numbers;*
 - vii. *sending and receiving SMS/MMS from the home country;*
 - viii. *sending and receiving SMS/MMS within the visited country;*
 - ix. *sending and receiving SMS/MMS from other international numbers;*
 - x. *data usage and*
 - xi. *accessing voicemail.*

- (c) The emergency services numbers of the visited country must be provided upon landing*
- (d) The customer shall receive usage alerts during roaming as set out at 6.5.2(II) to 6.5.2(VII)*
- (e) Where the roaming service is billed on a per usage charge, the alerts shall be sent based on the financial cap established.*
- (f) Service providers shall send alert notification when a customer will incur roaming charges for services that are accessed that were not included in their roaming plan, or where the customer does not have a roaming plan but whose device(s) has registered on a network while travelling abroad. The alert shall include:
 - i. the option to “opt in’ to the service;*
 - ii. the charges that will be incurred for the roaming service.**

6.6 Time for Implementation of Remedies

6.6.1 The OUR is aware that licensees are already undertaking measures to improve information transparency for services. Some of these measures include usage alerts and other notifications. However, as Licensees will be subject to the minimum information requirements proposed in this document, they may need to make modifications to their existing systems. The OUR is also mindful that some of the requirements proposed may necessitate changes to websites and Apps, which may require longer periods for adjustments to be made. The OUR therefore proposes to stagger the implementation of the information remedies as follows:

1. Alerts and Usage Notifications

The OUR considers that a period of (3) months may be reasonable for implementation of alerts and usage notifications.

2. Modification of information on websites and Apps

The OUR considers that a period of six (6) months may be reasonable for the modification of information on websites and Apps.

Annex 1: Useful Tips for Consumers – Strategies that can be utilised to Monitor Usage.

1. Always utilise expenditure management tools where available from the service provider to track usage. Never ignore usage alerts that are sent by the service provider.
2. Know your bundle allowance. Knowing the data allowance in the bundle is particularly important. This is usually measured in megabytes (MB) or gigabytes (GB).
3. Always make an effort to know when the monthly billing period starts and finishes.
4. Be aware that streaming video or music, syncing emails or searching for older emails on your devices, and automatic software updates utilise large amounts of data. Restrict the usage of mobile data by changing your phone settings to have these services update only when connected to Wi-Fi. This reduces the risk of rapid exhaustion of your data allowance.
5. Download music, movies etc., before you travel abroad. Use your home Wi-Fi to get everything on your device before you travel.
6. Turn off data roaming on your devices when travelling overseas. Some smartphones and 3G/4G enabled tablets automatically seek out internet connections and use them to update apps that can result in a high bill without the device being actively used.
7. If you wish to use your mobile service while abroad, contact your service provider as they may have specific packages for using your device abroad that are designed to offer discounted rates, including data roaming bundles.
8. Be careful about ‘opting out’ of financial caps. You may be prompted to ‘opt out’ of your established financial cap by your service provider, if for example, you purchase a large data roaming bundle which takes you over your limit, or if your service provider offers an alternative roaming tariff.
9. As much as possible, use Wi-Fi to access the internet while abroad. Use local Wi-Fi hotspots instead of your device’s internet connection. Remember, you don’t need ‘data roaming’ switched on to access Wi-Fi.
10. Turn off voicemail while abroad. Having voicemail on and or retrieving voicemail messages while abroad could result in unexpected charges.

Annex 2: The OUR's Billing Transparency Survey Questionnaire

Billing Transparency Survey

The aim of this questionnaire is to obtain information on the level of transparency of billing practices in the Telecommunications sector as well as the factors which may contribute to billing issues.

Instructions for consumers:

- Please consider the General questions [1] to [7] – SECTION 2.
- If you have received at least one unexpectedly high bill or experienced unexpected credit depletion in the past 24 months please continue to questions [8] to [10] – SECTION 3.

* Required

Gender *

Female

Male

Age *

18 - 24

25 - 34

35 - 44

45 - 54

55 - 64

65 and over

General

1. Where does your service provider make details/offers of their service plans available?

Website

SMS/email

Call Centre

Applications (Apps)

Other:

2. How easy do you find it to compare the offers/plans of service providers?

Very easy

Somewhat Easy

Somewhat Difficult

Very difficult

3. Does your service provider make you aware of any pending price changes to your existing plan?

Yes

No

If yes, by what means?

Website

Text messages

Email

Bill stuffer

Media

Other:

4. If your service provider makes you aware of pending price changes, what is the average notice period?

1 Day

2 - 7 Days

8 - 14 Days

15 - 30 Days

Over 30 Days

5. Does your service provider offer mechanisms which allow you to check your usage (e.g. *120#, Apps, etc.)?

Yes

No

6. Does your service provider send usage alerts (e.g. text messages informing you that you are close to or have used up your credit/minutes/data plan)?

Yes

No

If yes, do you utilise these services to inform your usage decisions?

Yes

No

If you do not utilise these services to inform your usage decisions, why not?

Can't be bothered.

Never exceed limit

Usage alerts usually arrive too late to be helpful

Don't believe alerts are useful

Other:

7. If you are a post-paid subscriber, does your service provider allow you to set credit limits, preventing you from spending above a certain amount?

Yes

No

Don't know

If yes, how satisfied are you with this usage control mechanism?

Very Satisfied

Somewhat Satisfied
Somewhat Dissatisfied
Very Dissatisfied

If dissatisfied, what are the main reasons?

Unexpectedly High Billing/Charges

If you have received at least one unexpectedly high bill or experienced unexpected credit depletion in the past 24 months please continue to questions [8] to [10], otherwise complete the survey by selecting 'SUBMIT'.

8. If you have received at least one unexpectedly high bill/charge in the last 24 months, for which of the following reason(s) was it received?

Call(s) to an international number
Using your mobile phone to make calls whilst abroad (roaming plan)
Using your mobile phone to make calls whilst abroad (roaming out of plan)
Using data service whilst abroad (roaming plan)
Using data service whilst abroad (roaming out of plan)
Exceeding your monthly minutes and text plan
Exceeding your monthly data usage plan
Out of bundle usage (E.g. Off-net calls were not included in plan)
Other:

9. Before using the service which led to the unexpectedly high bill/charge, did you obtain any information that would have helped you estimate how much the service was going to cost?

Yes
No

If yes, where did you find this information?

Website
Social Media
Customer service
Other:

10. Upon receipt of an unexpectedly high bill/charge, what did you do?

Change provider
Change plan/offer with the same provider
Stop or reduce usage of the service without changing provider
Make a complaint to the service provider
Other:

If you made a complaint to the service provider, what was the response?