COMMUNICATIONS ALLIANCE LTD

REGULATORY REFORM OF CUSTOMER INFORMATION OBLIGATIONS

CUSTOMER INFORMATION PROVISION POLICY FRAMEWORK

May 2014

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1. BACKGROUND

Over time, the framework for regulating what information should mandatorily be provided to customers of communications services has grown without review. Since 1997, a large number of mandatory customer information obligations accumulated, with little regard paid to the ongoing usefulness of these requirements for customers, the sum total of mandatory information provided to the customer, the substantial compliance cost to industry or the effectiveness of the mandated methods of communication.

Very few obligations were removed or re-evaluated for effectiveness, which left customers navigating a barrage of information, and providers navigating a patchwork of overlapping and costly obligations with little discretion to streamline the information they provide or to compete or innovate on the quality of the information they provide to customers. New obligations were added, in many cases in reaction to an issue of the day, in an attempt to force new behaviour upon industry members and with an assumption that more information will automatically protect customers against the immediately perceived detriment or provide the requisite educational outcomes. It should be acknowledged that good product design can relieve the regulatory burden by requiring less onerous consumer information.

This approach of applying mandatory information provisions as a panacea in a variety of legislative and regulatory instruments and Industry Codes led to some good outcomes, but also many wasted opportunities and information overload for customers. The cost to industry can be measured in the hundreds of millions of dollars annually in direct costs, penalties, and process and compliance burdens.

The Customer Information Committee

In February 2014, the Australian Communications and Media Authority (ACMA) and Communications Alliance set up a joint working Customer Information Committee (CIC) with representatives from the ACMA, Communications Alliance, industry and the Department of Communications to evaluate customer information provisions and remove duplication, overlap or unnecessary obligations. Additionally, the CIC was tasked with developing a new Framework for Customer Information Provisions. ACCAN joined the CIC from April 2014.

This included an initial review of areas of overlap / duplication, which included a "back to basics" analysis to separate out the actual regulatory requirements, and perceived requirements – those that have grown through varying interpretations of the requirements over time, but may not actually be mandated in any of the rules.

This analysis assisted with the "filtering" process described above, so that the end result is a framework which:

- makes relevant information available to customers when they need it/want it
- maintains consumer protections
- acknowledges that vulnerable consumers may need additional protections (but recognises that those additional requirements are circumstance-specific and should not necessarily be imposed for all consumers)

2.   OBJECTIVE

The Framework is to be applied regardless of changing regulatory imperatives, new technologies and changing areas of consumer concern. It is also vital that it provides context for the consideration of new customer information requirements; that is, it must provide an overlay of existing information obligations, to:

- enable an informed consideration of whether an issue is already dealt with via existing rules or not (i.e. ensure no duplication/overlap) and whether additional information is needed or not, and
- apply a filter or categorisation tool to determine the level of criticality of the new information, and therefore how it should be handled (pushed to customers or made available, is it required to be provided at a particular point in time, etc).

The desired outcome is a customer information model that ensures information provided to telecommunications consumers is:

- accessible
- relevant
- prioritised[1]

Application and Use of the Framework

The Framework is to be used to measure the need for introducing new information provision requirements and to assess the current information provision requirements. There are several phases to this work:

- identifying and removing duplication and overlap in existing information requirements
- applying the Framework to the remaining information requirements to determine where additional changes are required
- applying the Framework when new issues arise, to assist in considering whether new information requirements will be needed and – if so – how these should be managed
- ongoing review of information requirements for relevance

Note that the Framework is intended to apply to all customer information requirements for the telecommunications industry, regardless of whether they appear in legislation, subordinate regulation or industry codes and guidelines.

Where an information requirement is deemed no longer relevant, or is to be amended in line with the Framework and its principles, Communications Alliance will make a recommendation as follows:

- if the requirement is in legislation or a Ministerial Direction, to the Department of Communications
- if the requirement is in regulation within the control of the ACMA, to the ACMA
- if the requirement is in a Comms Alliance industry code, standard or guideline, to the relevant Comms Alliance reference panel or working group
- if the requirement is in another organisation's code, standard or guideline, to that organisation and to the regulatory agency with oversight for the document (as applicable)

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[1] i.e. prioritised in line with the work under the framework to identify what matters most to consumers at each stage of the customer corridor

Given the Government's focus on de-regulatory initiatives, Comms Alliance will keep the Department of Communications informed on any such recommendations it makes.

3.   PRINCIPLES

The Framework is based on the following principles:

- Customer-centric design:
    – Simplicity and clarity
    – Control
    – Timeliness
    – Flexibility

- Outcomes-based approach
- Encourage competition
- Continuous improvement

3.1   Customer-centric design

This principle brings us back to basics – the information requirements are intended to inform customers, so they need to be delivered in a way which is useful to customers. Overwhelmingly, customers want:

- simplicity (tell me the important/essential information; don't bombard me with information that isn't relevant),
- control (I want some choice in the matter, e.g. in how I receive the information, when I receive it, what I want to hear about),
- timeliness (strive to ensure that I receive the information quickly and in the timeframe that I need it); and
- flexibility (taking into account the diversity of telecommunications consumers and the different ways in which they interact with their providers, and the fact that they are interested in receiving different pieces of information at different times).

An objective assessment must be made of the amount of information an 'average' customer can reasonably receive before informed consent becomes information overload at a particular point in time. This assessment must be used whenever each new information requirement is considered to be added into the mix of existing requirements. This assessment should also be used to guide decisions on which type of information is viewed as important at a particular point within the 'customer corridor'.

When assessing each individual information requirement, consideration must be given to the importance of this information to the average customer and the detriment of not receiving it at a given time within the customer corridor. Filters to apply to this process may include questions such as:

- Is it likely to be life-threatening or critical to the customer if they do not receive it at this point in time?
- Is it important to receive this information in order for the customer to make an informed purchasing decision?
- Is the information related to general consumer rights information (e.g. consumer guarantees) that may be useful for the customer to be aware of (but not critical at a particular point in time)?
- Is the information related to general information a customer may be interested in exploring further at a later date?

3.2   Outcomes-based approach

This approach means that information requirements should move from the current prescriptive models which focus on process (you must provide information to customers at this point in time in this particular format, with these headings and this wording) to one which is focused on the desired outcomes (informed consumers).

Measurement and reporting methods that determine a successful policy outcome must also be changed to reflect this new approach. This may need an adjustment in expectations about the timeframes in which a successful outcome is likely to be delivered, however it is anticipated that greater success will be achieved over the long term.

By allowing flexibility in the process, and focusing instead on the outcome, telecommunications providers will be able to tailor more effective messaging to their customer base or even segments of their customer base, encouraging innovative approaches to information delivery.

3.3   Encouraging competition

In addition to enabling innovation in the delivery of information to telecommunications consumers, one of the key principles of a new framework must be to encourage competition in the market.

Less prescriptive approaches to products, services and information requirements will enable different business models to develop, lower the barrier for new market entrants and encourage innovation in information delivery creating more choice and flexibility for consumers - while also recognising that the efficient operation of markets is assisted by having informed consumers who can adequately compare the quality and price of products and make purchasing decisions accordingly.

3.4   Continuous improvement

Finally, one of the most vital principles to ensure a sustainable model must be that of continuous improvement. The needs of consumers change over time, and therefore the information they require about different things changes over time as well. For example, more information is generally required when a new product is introduced, but as customers use this product and the public more generally increase their awareness and become accustomed to it, the same level of information is generally no longer required.

This customer information framework cannot be "set and forget" – it must be reviewed and refined over time to ensure it still meets the agreed principles and outcomes. This framework should be used to consider whether existing information should be removed or its format and delivery method is amended. All stakeholders involved in the creation of the framework will retain a responsibility for its upkeep and, as part of the development process, will agree the means to achieve this.

4.   APPLYING THIS FRAMEWORK TO THE CUSTOMER CORRIDOR

What is the customer corridor?

The "customer corridor" identifies the key stages of the customer life-cycle. The stages below are a suggested model, but further discussion may be warranted on whether this many stages are needed, or whether any others have been missed.

Some initial consideration has occurred on the critical information that needs to be "pushed" to customers at each stage of the customer corridor, as outlined below. In line with the principles and objectives of this framework, the view is taken that all other information requirements should therefore simply be made available (and easily accessed) by customers at a time when it's relevant to them.

To come up with this list, consideration was given to what information consumers have said was important to them (via research undertaken by a range of different stakeholders), as well as items deemed critical by the stakeholders. A range of filters (as above) were applied to help determine this.

Another factor to consider then becomes when this information should be provided to customers:

1.   Need to know before signing up
2.   Need to know when an issue arises
3.   Need to have access to (based on what products they use / how they use them)
4.   Might be of interest (depending on what products they use / how they use them)
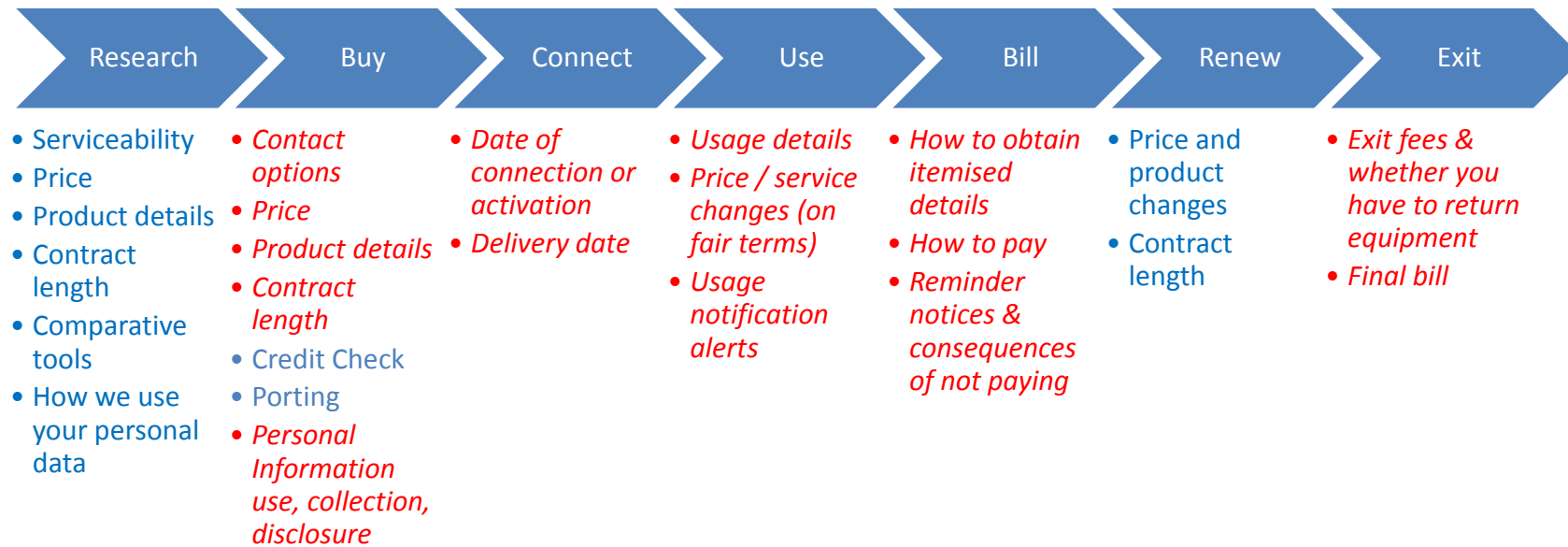
The big question is how do we get this new model up and running? As described above, there is a level of analysis that will be required on all the existing requirements, however it will also be vital to understand the ideal end-state.

To achieve this, a good starting point will be to review and agree upon the critical information that would be desired by a reasonable consumer at each stage in the customer life-cycle.

Once this has been done, other matters to consider include whether:

- the various information requirements (both critical and non-critical) need to be mandated or optional;
- information must be provided at a specific point in time or whether there can be flexibility in timing;
- information must be given to customers (i.e. push) or made available for customers (i.e. pull);
- there are any occasions when information needs to be provided in a particular format;
- there are sub-groups of consumers to which particular information is critical..

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| Research | Buy | Connect | Use | Bill | Renew | Exit |

- Serviceability
- Price
- Product details
- Contract length
- Comparative tools
- How we use your personal data

- *Contact options*
- *Price*
- *Product details*
- *Contract length*
- Credit Check
- Porting
- *Personal Information use, collection, disclosure*

- *Date of connection or activation*
- *Delivery date*

- *Usage details*
- *Price / service changes (on fair terms)*
- *Usage notification alerts*

- *How to obtain itemised details*
- *How to pay*
- *Reminder notices & consequences of not paying*

- Price and product changes
- Contract length

- *Exit fees & whether you have to return equipment*
- *Final bill*

FIGURE 1
The Customer Corridor

Legend:
Pull
Push

Pre-Sale Research

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	Critical	Pulled	Mandatory
Price	Critical	Pulled	Mandatory
Product details	Critical	Pulled	Mandatory
Contract length	*Important/critical*	Pulled	*Optional/Mandatory*
Comparative tools, e.g. CIS	Critical	Pulled	Mandatory
How we use your personal data	Useful to know	Pulled	Optional
Contact options	Useful to know	Pulled	Optional
Credit check	N/A	Pulled	Optional
Porting	N/A	Pulled	Optional
Timeframe of connection or activation	Useful to know	Pulled	Optional
Delivery timeframes	N/A	N/A	Optional
Usage details	N/A	N/A	N/A
Price/service changes (on fair terms)	N/A	N/A	N/A
How to obtain itemised billing details	N/A		Optional
How to pay	Useful to know	Pulled	Optional
Reminder notices & consequences of not paying	N/A	N/A	N/A
Exit fees and whether you have to return equipment	*Important/Critical*	Pulled	*Optional/Mandatory*

Buy

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	Critical	Pushed	Mandatory
Price	Critical	Pushed	Mandatory
Product details	Critical	Pushed	Mandatory
Contract length	Critical	Pushed	Mandatory
Comparative tools, e.g. CIS	Critical	Pushed	Mandatory
How we use your personal data	*Important/Critical*	*Pulled/Pushed*	Mandatory
Contact options	Critical	Pushed	Mandatory
Credit check	Critical	Pushed	Mandatory
Porting	Critical	Pushed	Mandatory if required
Timeframe of connection or activation	Important	Pulled	Optional?
Delivery timeframes	Important	Pushed	Optional
Usage details	N/A	N/A	N/A
Price/service changes (on fair terms)	N/A	N/A	N/A
How to obtain itemised billing details	Useful to know		Optional
How to pay	Important	Pushed	Optional
Reminder notices & consequences of not paying	N/A	N/A	N/A
Exit fees and whether you have to return equipment	N/A	N/A	Optional

Connect

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	N/A	N/A	Optional
Price	N/A	N/A	N/A
Product details	N/A	N/A	Optional
Contract length	N/A	N/A	Optional
Comparative tools, e.g. CIS	N/A	Pulled	Optional
How we use your personal data	N/A	Pulled	Optional
Contact options	Critical	Pushed	Mandatory
Credit check	N/A	Pushed	Mandatory
Porting	Critical	Pushed	Mandatory
Timeframe of connection or activation	Critical	Pushed	Mandatory
Delivery timeframes	Critical	Pushed	Mandatory if required
Usage details	N/A	N/A	N/A
Price/service changes (on fair terms)	N/A	N/A	N/A
How to obtain itemised billing details	Useful to know	N/A	N/A
How to pay	Important	Pulled	Optional
Reminder notices & consequences of not paying	N/A	N/A	N/A
Exit fees and whether you have to return equipment	N/A	N/A	Optional

Use

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	Useful to know	Pulled	Optional
Price	Useful to know	Pulled	Mandatory
Product details	Useful to know	Pulled	Optional
Contract length	N/A	N/A	N/A
Comparative tools, e.g. CIS	N/A	N/A	N/A
How we use your personal data	Useful to know	Pulled	Optional
Contact options	Useful to know	Pulled	Optional
Credit check	N/A	N/A	N/A
Porting	N/A	N/A	N/A
Timeframe of connection or activation	N/A	N/A	N/A
Delivery timeframes	N/A	N/A	N/A
Usage details	Critical	Pushed	Mandatory
Price/service changes (on fair terms)	Critical	Pushed	Mandatory
How to obtain itemised billing details	Nice to know	Pulled	Optional
How to pay	Nice to know	Pulled	Optional
Reminder notices & consequences of not paying	N/A	N/A	N/A
Exit fees and whether you have to return equipment	N/A	N/A	N/A

Bill

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	N/A	N/A	N/A
Price	*Nice to know/Critical*	Pulled	*Optional/Mandatory*
Product details	N/A	N/A	N/A
Contract length	N/A	N/A	N/A
Comparative tools, e.g. CIS	N/A	N/A	N/A
How we use your personal data	N/A	N/A	N/A
Contact options	Critical	Pulled	Mandatory
Credit check	N/A	N/A	N/A
Porting	N/A	N/A	N/A
Timeframe of connection or activation	N/A	N/A	N/A
Delivery timeframes	N/A	N/A	N/A
Usage details	Important	Pulled	Mandatory
Price/service changes (on fair terms)	Important when relevant	Pushed	Optional if minor, Critical if significant.
How to obtain itemised billing details	Critical	Pushed	Mandatory
How to pay	Critical	Pushed	Mandatory
Reminder notices & consequences of not paying	Critical	Pushed (where required)	Mandatory
Exit fees and whether you have to return equipment	N/A	N/A	N/A

Renew

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Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	N/A	N/A	N/A
Price	Critical	Pushed	Mandatory
Product details	Important	Pushed	Mandatory
Contract length	Critical	Pushed	Mandatory
Comparative tools, e.g. CIS	Important	Pulled	Optional
How we use your personal data	N/A	N/A	N/A
Contact options	Useful to know	Pulled	Optional
Credit check	N/A	N/A	N/A
Porting	N/A	N/A	N/A
Timeframe of connection or activation	N/A	N/A	N/A
Delivery timeframes	N/A	N/A	N/A
Usage details	N/A	N/A	N/A
Price/service changes (on fair terms)	N/A	N/A	N/A
How to obtain itemised billing details	N/A	N/A	N/A
How to pay	N/A	N/A	N/A
Reminder notices & consequences of not paying	N/A	N/A	N/A
Exit fees and whether you have to return equipment	N/A	N/A	N/A

Exit

Information type	How important is this information to the customer at this point in time? (Critical / Important / Useful to know / Not important / Not applicable)	Should this information be actively provided or made available (i.e. pushed/ pulled)	Should provision of this information be mandated or optional?
Serviceability	N/A	N/A	N/A
Price	N/A	N/A	N/A
Product details	N/A	N/A	N/A
Contract length	N/A	N/A	N/A
Comparative tools, e.g. CIS	N/A	N/A	N/A
How we use your personal data	N/A	N/A	N/A
Contact options	N/A	N/A	N/A
Credit check	N/A	N/A	N/A
Porting	N/A	N/A	N/A
Timeframe of connection or activation	N/A	N/A	N/A
Delivery timeframes	N/A	N/A	N/A
Usage details	N/A	N/A	N/A
Price/service changes (on fair terms)	N/A	N/A	N/A
How to obtain itemised billing details	N/A	N/A	N/A
How to pay	Important	Pushed	Mandatory
Reminder notices & consequences of not paying	Important (where relevant)	Pushed	Optional
Exit fees and whether you have to return equipment	Critical	Pushed	Mandatory
Final bill	Critical	Pushed	Mandatory