

Report

Summarising responses to the Consumer Protection Consultation

Report summarising responses to the Consumer Protection Related Consultation

Issued by the Telecommunications Regulatory Authority

On 4 February 2007

Purpose: Provide information on the responses received on the Consumer related consultation issued on 25 January 2006



هيئة
تنظيم
الاتصالات
Telecommunications
Regulatory
Authority

Report

Summarising responses to the Consumer Protection Consultation

1. INTRODUCTION

- 1.1 The TRA's consumer protection related consultation paper was issued on 25 January 2006.
- 1.2 The consultation sought views on three separate areas concerning the extent to which subscribers and users of telecommunications services in Bahrain may require. The three areas were:
- (A) the provision of pre-paid telecommunications services and whether action should be taken to protect consumers against the event of the insolvency of a provider of such services;
 - (B) the provision of short message services ("**SMS**"), telemarketing, fax broadcasting and bulk emails, and whether guidelines or regulations should be introduced to protect consumers from the nuisance element and invasion of privacy that such services may give rise to; and
 - (C) the procedure for disconnecting telecommunications services of subscribers for non-payment of bills, and whether guidelines should be implemented to ensure that consumers are protected against the potential harm that may arise from premature disconnection.
- 1.3 Comments were invited by 28 February 2006, a period which was later extended to 15 March 2006. TRA received six written responses from a range of interested parties, as listed below:
- Batelco
 - Bahrain Chamber of Commerce & Industry
 - Mena Broadband
 - The Ministry of Transportation
 - MTC Vodafone
 - The Saudi-Bahraini Institute for the Blind

Report

Summarising responses to the Consumer Protection Consultation

- 1.4 In addition, a public hearing was held on 26 February 2006 in order for TRA to gain a greater understanding of consumer views on the issues. During the public hearing TRA received verbal responses on the questions raised in the consultation paper from both consumers and the industry.
- 1.5 This report summarises the responses TRA received to the questions posed in the consultation paper.

Report

Summarising responses to the Consumer Protection Consultation

2. SUMMARY OF RESPONSES TO THE CONSULTATION

(A) The provision of pre-paid telecommunications services

- 2.1 TRA received a total of nine responses on this section of the consultation, certain of which were made during the public hearing.
- 2.2 One respondent felt that the current licensing process and requirements are sufficient. All other respondents felt that some additional form of security for consumers was required. Among the latter, the principal forms of security suggested by three respondents were a performance bond and a letter of guarantee from a reputable bank.
- 2.3 Two respondents suggested that any security given could be used to compensate both subscribers and retailers in the event of the insolvency of the service provider.

(B) Provision of bulk SMS, telemarketing, fax broadcasting and bulk email

- 2.4 TRA received a total of 12 responses on this section of the consultation, some of which were made during the public hearing.
- 2.5 Respondents noted that whilst some bulk communications were a nuisance, others contained useful information.
- 2.6 A general concern was expressed by three respondents that subscribers should have confidence that any data they provided to a licensed operator was kept confidential. Seven respondents thought that this type of communication should be regulated through measures being taken to control the use of subscriber data and its provision to third parties.

Bulk SMS

- 2.7 Consumers appeared more concerned with receiving bulk SMS than with telemarketing fax broadcasting or bulk e-mail.
- 2.8 There appeared to be a general consensus that any regulation of bulk SMS should address issues such as the time of day that messages could be sent, as well as their frequency. In addition, there was interest in considering the introduction of a compulsory

Report

Summarising responses to the Consumer Protection Consultation

system allowing consumers to “opt out” of receiving further messages. There was some concern regarding the feasibility of implementing such a system. Whilst operators generally favoured consumers paying to opt out, consumer preference was for a toll-free number to be provided with each communication, the cost of which could be met by the entity sending the message. One respondent suggested that any opt-out system should be simple to implement by the consumer (for example, sending an SMS in reply).

- 2.9 Operators expressed concern that a code of practice would not be binding on overseas marketing companies.

Telemarketing and fax broadcasting

- 2.10 As with bulk SMS, four respondents were of the view that any regulatory action TRA considered to be necessary should address the time of day that calls could be made or faxes sent, as well as their frequency. In addition, consumers were generally in favour of being able to opt out of receiving telemarketing calls or faxes, preferably through a toll-free number.

Bulk email

- 2.11 Two respondents felt that measures to filter emails were perhaps better determined by individual subscribers. A number of respondents pointed to the availability of suitable filters and firewalls at a consumer level for those who wished not to receive bulk emails. In addition, the difficulty of agreeing the technical specifications of any mandatory requirement on operators or ISPs to filter bulk emails was also raised. Greater consumer education by TRA and possibly the ISPs over how to limit unwanted emails was also suggested.

(C) The procedure for disconnecting telecommunications subscribers for non-payment

- 2.12 TRA received a total of eight responses on this section of the consultation, some of which were made during the public hearing.
- 2.13 Four respondents agreed that it was desirable that the subscriber should be informed at the outset under what circumstances a service could be disconnected. Some respondents suggested that this was an area where operators could compete against each other

Report

Summarising responses to the Consumer Protection Consultation

based on their levels of customer care, and that regulation would therefore be unduly restrictive.

- 2.14 There was a feeling among consumers that there should be certain minimum standards which should be observed by all operators. Concerns were raised over issues such as notice periods, access to emergency calls and the ability of visually impaired and blind subscribers to “read” their bills. There was a limited response to the issue of compensation for disconnection in error.
- 2.15 Suggested measures to protect consumers included the proposal that TRA should be required to approve operators’ disconnection policies (beyond its current review of individual operators’ customer terms and conditions), and that minimum requirements should be published either as guidelines or as a code of practice where the minimum requirements are mandatory. One respondent had a concern that any regulation should be proportionate to the potential harm to consumers.
- 2.16 Were TRA to consider either guidelines or a code of practice, further consideration would be required as to whether these should be mandatory or voluntary. The content of any guidelines or code, rather than being proposed by the TRA, would require informed participation from both consumers and the industry.

Report

Summarising responses to the Consumer Protection Consultation

3. COMMENTS ON SPECIFIC CONSULTATION QUESTIONS

(A) The provision of pre-paid telecommunications services

1. *Respondents were invited to comment on their confidence in using pre-paid calling services.*

Two operators expressed confidence in their own pre-paid card systems. This confidence did not extend to other pre-paid card providers and concerns were raised about the potential risks to consumers in the event of insolvency. One operator share the TRA's concern about the security of pre-paid calling cards.

One comment made at the public hearing concerned the security of pre-paid services that are available or will be available in the Kingdom of Bahrain.

2. *Respondents were invited to give their views on whether there is a need to introduce measures to protect consumers from the potential risks associated with the insolvency of a pre-paid service provider; and on whether the current application process for a VAS licence is adequate to protect consumers from the potential risk of a service provider becoming insolvent.*

Two operators stated that they were in general satisfied with current measures to protect consumers. One respondent considered that the focus should be on ensuring that unsuitable operators did not receive a VAS licence. One operator felt there may be a need to introduce further measures to increase consumer protection.

A number of respondents at the public hearing, were of the view that measures should be introduced to protect against risks associated with insolvency.

3. *Respondents were invited to comment on whether they consider that the current VAS license provisions, such as the code of practice and presenting regulatory accounts, are sufficient to protect consumers from the potential risk of a service provider becoming insolvent.*

Almost all six respondents considered the current measures satisfactory, but three operators believed that, although the current

Report

Summarising responses to the Consumer Protection Consultation

licensing regime is sufficient, further measures should be taken by TRA to increase protection to consumers from the risk of service provider insolvency. One operator thought that a code of practice or the presentation of regulatory accounts might not be sufficient to protect consumers from a service provider becoming insolvent, but that does not mean that further measures should be taken.

One of the respondents expressed the opinion that the VAS licence should be amended (as well as the application process for granting such a licence) so as to enshrine to consumer protection provisions.

- 4. Were it considered that measures to address consumer protection for pre-paid services are required, respondents were invited to indicate the most suitable solution among those listed above [i.e. setting up an escrow account, requiring the service provider to offer a bond, issuing a regulation to mandate an obligation against solvency protection for VAS licensees, or including an additional criterion (debt rating) to the license application form].*

There was a range of views as to what measures might be required. One operator suggested that a combination of requiring a credit rating and introducing regulatory safeguards would be most effective. Another operator felt that regulatory intervention was unnecessary, particularly in light of the level of risk and the potential losses to individual consumers in the event of a service provider becoming insolvent.

One of the respondents considered the most appropriate solution to be a combination of issuing a regulation and amending the VAS licence, as well as including an additional criterion (a requirement to obtain a credit rating).

One operator and a number of consumers during the public hearing considered that a form of bank guarantee or bond would be the most appropriate measure.

- 5. Respondents were invited to comment on the costs and competitive effect of requiring providers to establish a security against insolvency.*

One operator expressed the view that such a requirement would be excessively burdensome for operators and any cost would ultimately be passed on to consumers. In particular, it might cause financial

Report

Summarising responses to the Consumer Protection Consultation

difficulties for start-up companies and stifle competition. Another operator, however, was more open to the idea of operators providing security, because they believed that such costs should be factored into business planning.

- 6. Respondents were invited to give information indicating the extent to which pre-paid calling card providers are scrutinised by the standard debt-rating agencies and the costs of becoming scrutinised by the standard debt-rating agencies.*

Two operators stated that currently there was no scrutiny by the debt-rating agencies, but that such scrutiny would incur high costs. Both an operator and one of the respondents were in favour of scrutiny of providers by debt-rating agencies.

- 7. Respondents were invited to comment on the extent to which the benefit to consumers of this protection would justify the burden of meeting such ratings standards.*

Two operators expressed their belief that the benefit to the consumer would not justify the burden of complying with a requirement to be “rated” – they felt that there would be more proportionate means to provide security for consumers.

- 8. Respondents were invited to comment on the extent to which annual reporting and prudential supervision would be more or less onerous than posting a performance bond.*

One operator felt that annual reporting would be more onerous than a bond, while another operator felt it would not be possible to make such a comparison – they felt that the two options would be onerous in different ways – a bond would be financially more onerous whilst reporting would be more onerous from a resources perspective.

- 9. Respondents were invited to comment on the impact of business management restrictions on the current state and future development of the market, and the extent to which these might be in the consumer’s interest.*

One operator suggested that future business management restrictions would be intrusive and unjustified, whilst another operator believed that any future restrictions could be justified by

Report

Summarising responses to the Consumer Protection Consultation

the need for consumer protection and should be able to be factored into any business plans.

10. Respondents were invited to propose any alternative solutions for protecting consumers of pre-paid services.

One operator suggested that TRA should run a customer education campaign providing advice for consumers who currently use, or who are considering using, pre-paid services, thereby transferring responsibility back to the consumer rather than the operator.

Report

Summarising responses to the Consumer Protection Consultation

(B) Provision of bulk SMS, telemarketing, fax broadcasting and bulk email

11. Respondents were invited to comment on the use they currently make of SMS, telemarketing, fax broadcasting and bulk email, and the role these communications play in their marketing strategies.

Two operators responded to this consultation – one operator did not use such methods for marketing purposes but did use them for informing existing customers of matters related to their lines, whilst the other operator used a variety of these methods, in particular bulk SMS, to communicate with new and potential customers as well as existing customers.

All respondents agreed that it was important to use targeted marketing so as to keep disturbance to customers to a minimum.

An observation was made by one operator that there were no data protection laws in Bahrain that could act to prevent the compilation of mailing lists.

12. Respondents, and especially consumer representatives in Bahrain, were invited to comment on their experience of SMS, telemarketing, fax broadcasts and bulk email. TRA was interested to understand the extent to which inconvenience or cost may have been incurred in respect of:

(i) SMS communications;

(ii) telemarketing;

(iii) fax broadcasts; and

(iv) bulk email.

Respondents agreed that bulk SMS were most commonly received out of the listed marketing methods, followed by bulk email.

One operator commented that, although the number of communications received appears to be significant, the use of bulk marketing did not give rise to any issues that required a regulatory solution. Another operator acknowledged that some consumers do not appreciate unsolicited communications.

Report

Summarising responses to the Consumer Protection Consultation

Two operators emphasized the steps they had taken to ensure their use of such communications was appropriate and non-invasive. One operator said that it uses methods for opt out options – for example, by offering the recipients of such marketing the option to unsubscribe.

During the public hearing, a comment was raised that fax broadcasting is the second most received marketing method after SMS.

However, both one of the respondents and consumers during the public hearing considered that safeguards are needed for such bulk communication and that consumers should have a choice as to whether to receive such unsolicited communications.

13. TRA also invited comments from consumers who considered such promotional material to be welcome and informative.

During the public hearing, a comment was made that the issue of bulk SMS, telemarketing, fax broadcasting and bulk e-mail is not a major issue of concern for consumers. Comments were also made during the hearing that such communications are useful and beneficial to consumers. It was suggested that TRA should focus on issues that may be considered more important for consumers, such as quality of service and pricing. Another comment made during the public hearing was that such bulk communications can be informative and that they are not a significant enough annoyance to require regulation.

Bulk SMS

14. Respondents were invited to comment on whether there is a need to introduce measures to control the sending of bulk SMS to consumers.

One operator and two consumers considered that there was no need for TRA to regulate the provisioning of bulk SMS. In contrast, two operators and five consumers, as well as one of the respondents, thought that measures should be introduced to control the sending of bulk SMS. In general, consumers were more concerned about

Report

Summarising responses to the Consumer Protection Consultation

nuisance SMS than they were about telemarketing or fax broadcasting.

15. *Were it considered appropriate for TRA to seek to regulate the use of bulk SMS within Bahrain, respondents were invited to comment on which of the options discussed above represent the best solution for regulating bulk SMS.*

Two operators were more in favour of the development of industry codes of practice than introducing a compulsory opt-in/opt-out approach. Another operator thought that mobile users should be able to opt in or opt -out, in addition to the implementation of a code of practice. One operator emphasized the need to address the problem of bulk SMS received from abroad as well as nationally.

Two operators, one of the respondents and two consumers recognised that restrictions limiting when bulk communications could be sent, for example communications only being sent during business hours, would be helpful to consumers and manageable for operators. Consumers did not in general want a total ban on the use of bulk SMS but felt that regulation would be more appropriate.

16. *Respondents were invited to comment on whether bulk SMS should be governed by an opt-in or an opt-out approach.*

While one of the respondents and two operators were in favour of an opt-out approach, one operator thought that it is a good approach but not the best option. Four consumers favoured the opt-out approach while one consumer favoured either the opt-out or opt-in approach. One operator was concerned that an opt-in or opt-out approach could be both difficult for operators to implement and for TRA to enforce.

17. *Respondents were invited to comment on whether an opt-in/out approach should be provided to subscribers via a toll-free or normal rate number, and in case of opt-in, how the opt-in lists should be compiled and maintained.*

One operator concluded that an opt-out approach should be provided at normal rates. In addition, one operator stated that it already provides the option in normal rates.

Report

Summarising responses to the Consumer Protection Consultation

During the public hearing, consumers were of the opinion that toll-free rates should be applied. No responses were received with regard to compiling and maintaining opt-in lists. Consumers during the public hearing commented that the process of opting out should be made as simple as possible.

18. *Respondents were invited to comment on whether a code of practice should be published with provisions relating to the number of times bulk SMS can be sent, the existence of an unsubscribe option for recipients within each SMS sent, the frequency of sent messages, opt-in/out lists, etc.*

One operator believed that an industry (as opposed to individual operator) code of practice published by TRA would not be necessary. If such a code were to be published, then two operators felt that this should centre on time restrictions relating to when bulk communications could be sent and opt-in/opt-out provisions. One operator expressed the view that such a code of practice would merit consultation in its own right.

One of the respondents was in favour of regulating the time of sending SMS and providing consumers with an opt-out option through a regulation. Consumers during the public hearing also felt that there should be limits on the numbers of SMS received and restrictions on the time of day when they could be sent.

19. *Respondents were invited to comment on whether the aforementioned provisions in the code of practice should be included as conditions in a regulation, or be published as an industry code of practice.*

Two operators stated that they did not believe that an industry code of practice was necessary. However, if TRA were to implement such a code, then the operators were in favour of an industry code of practice as opposed to a regulation. They felt this offered greater flexibility and manageability.

One operator suggested that, should TRA want to implement a code of practice by the means of a regulation then it should do so in stages – it should implement an industry code of practice for an initial period in order to be able to assess its effectiveness before considering whether to implement a regulation.

Report

Summarising responses to the Consumer Protection Consultation

No clear preference was apparent among the consumers who responded.

20. *Respondents were invited to comment on whether the industry should promote awareness among users on how to avoid unsolicited SMS.*

Two operators were in favour of promoting consumer awareness. One operator thought that a consumer awareness campaign should be initiated by TRA in tandem with consumer-related entities. It also considered that the role of the operators should be to adhere to the rules related to the provisioning of the service, and that costs should not be imposed on non-offending operators. However, one operator felt that consumers already had a good awareness of how to avoid unsolicited SMS and that no further action needed to be taken.

During the public hearing TRA received a comment that TRA should ensure that operators promote awareness among consumers and that operators should be clear about the costs of replying to such SMS.

21. *TRA further invited suggestions for alternative methods of regulating the use of SMS.*

A comment received during the public hearing suggested that in conjunction with the opt-out option, there has to be a "do not call" list that is distributed among all operators.

Telemarketing and fax broadcasting

22. *Respondents were invited to provide information on the number of telemarketing calls and fax broadcasts received by consumers in Bahrain. Should no precise information on calls be available, estimates could be provided in conjunction with relevant substantiation for these estimates. Such precise information or substantiated estimates would enable TRA to better evaluate the issue at hand.*

Limited information was provided – one operator stated that its telemarketing teams made approximately calls in excess of 10,000 in 2005. Another operator stated that whilst it had no information

Report

Summarising responses to the Consumer Protection Consultation

on the number of calls received by consumers, it received itself approximately five unsolicited communications per week.

23. Respondents were invited to comment on whether the number of telemarketing calls and fax broadcasts received by consumers in Bahrain represents a problem or a nuisance.

Only one operator believed that the number of telemarketing calls or fax broadcasts level considered reasonable. Another operator pointed out that this is subjective matter and it is difficult to provide an objective measure, therefore any findings on this matter should not be used a basis to make a regulation. However, that operator commented that it already self-regulates its telemarketing business and that its policy was not to make calls at anti-social times. Another operator stated that some steps need to be taken in order to prevent excessive interference.

There were two consumer comments received during the public hearing – while one consumer was of the opinion that fax broadcasting represents a nuisance, another welcomed receiving faxes.

24. Respondents were invited to comment on whether there is a need to introduce measures to regulate telemarketing and fax broadcasting in Bahrain.

Two operators that responded did not consider regulation to be necessary. One operator suggested that there should be restrictions on the time of day that calls are made and faxes sent. It was also suggested that consumers should be able either to opt in or opt out of receiving such calls and faxes.

One consumer response, along with a further comment received during the public hearing, suggested that TRA should act to protect the privacy of personal data of subscribers and prevent the sale to third parties or publication of subscriber data, and that such marketing communication methods should be regulated.

Report

Summarising responses to the Consumer Protection Consultation

25. Were it considered appropriate for TRA to seek to regulate the use of telemarketing calls and fax broadcasts within Bahrain, respondents were invited to comment on which of the two options discussed would be more suitable, or whether both options should be implemented.

Three operators responded to this consultation question. Of the two options, two operators tended towards the first, i.e. introducing measures to ensure that personal details of subscribers are not sold/provided to third parties for marketing/sales purposes. One operator highlighted the fact that it already self-regulates in this area, so additional regulation would only achieve a limited effect. One operator thought that the provisioning of telemarketing and fax broadcasting should be regulated in terms of the times and frequencies of such communication.

One of the respondents was in favour of issuing a regulation. Consumers did not express a strong preference for either option – both appeared to be seen as important. However, consumers commented through the public hearing that steps should be taken to combine a regulation with protecting customer data.

26. If the second option were to be implemented, respondents were invited to comment on whether the provisions should be imposed via a regulation or included in an industry code of practice.

Two operators stated that they did not believe that it was necessary to implement either a code of practice or a regulation. One of the respondents expressed the view that such a provision should be introduced through a regulation. One consumer commented that TRA should impose rules in the form of a regulation.

27. TRA invited further suggestions for alternative methods of regulating the use of telemarketing calls and fax broadcasting.

No further comments were received.

Report

Summarising responses to the Consumer Protection Consultation

Bulk email

28. Respondents were invited to give evidence of their experience with respect to the origin of the bulk emails they receive and whether their source is local or international.

Information provided was limited – three operators agreed that most bulk emails received originated from outside Bahrain with one operator estimating the ratio to be two to three emails from international sources compared to every one from within Bahrain. Another stated that some of its staff had estimated the breakdown as 30% local and 70% international. Whilst one operator stated that it sends an average of one email a day to its subscribers, another does not keep a record of such emails.

29. Respondents were invited to comment on whether bulk emails represent a problem to consumers in Bahrain. Respondents were invited to provide evidence of the extent of this problem in terms of the number of bulk emails received, on average per day for example.

One operator did not consider that bulk emails represent a problem for consumers in Bahrain. One consumer commented that this is a problem that needs to be addressed.

30. Respondents were invited to comment on whether there is a need to introduce measures to regulate bulk email in Bahrain.

Three operators commented on this consultation question. One operator did not consider it necessary to introduce measures to regulate bulk email in Bahrain, while another operator thought that there is no need for TRA to regulate bulk email and highlighted that there is sufficient advice and software available to consumers to take action themselves to avoid such communications. The third operator thought that steps should be taken in this regard.

One of the respondents and two consumers stated that measures should be taken with respect to the provisioning of bulk email.

31. Were it considered that bulk email should be regulated, respondents were invited to comment on which of the options discussed above would best address the problem. Respondents were also welcome

Report

Summarising responses to the Consumer Protection Consultation

to state whether they felt that more than one option should be implemented to solve the problem of bulk emails.

One operator stressed that it believed it was unnecessary to introduce such a regulation. However, if such a regulation were to be implemented, then the first option, i.e. the privacy of subscribers' personal data, would be a priority. Another operator stated that it already provides consumers with an opt-out option and access to filtering tools and that it does not sell or otherwise provide personal details to third parties. One operator stated that consumers should, where practical, have the ability to opt out, and further noted that spreading awareness is beneficial to consumers.

One consumer responded that TRA should (i) impose conditions on operators to protect data privacy, such as a restriction on selling customer data to third parties, and (ii) raise awareness among consumers on how to avoid bulk emails. In addition, ISPs should install filters on their servers. .

32. Respondents were invited to provide their comments on the second option of requiring the ISPs to implement bulk email filters, with regard to the following questions:

- should this requirement be mandatory or optional for ISPs?*
- should this requirement be introduced via a regulation or be included in an industry code of practice?*
- should this service be provided to subscribers for a fee or free of charge?*
- what criteria should be used to evaluate the bulk email filter used, in order to assess whether it provides adequate filtration of unwanted emails?*

Three operators replied to this consultation question. Two were of the opinion that bulk email filtering should be optional. One operator pointed out that they were unaware of any country worldwide which imposed such a requirement on ISPs, another emphasized the need for customer choice, whilst the third operator thought that it should be mandatory.

Report

Summarising responses to the Consumer Protection Consultation

Two operators were in agreement that there is no need for regulation or a code of practice in this area.

Two operators felt that the costs and criteria for this service should be determined by the operators providing the service. One operator stated that it provides the service free of charge. Suggested criteria were, for example, filtering through wording in an email's subject matter or filtering through the number of recipients.

Consumers did not comment on this issue.

33. Respondents were invited to comment on whether the third option (imposing conditions on Internet Service Providers to give subscribers the option of not receiving bulk email sent by the ISP itself) should be introduced via a regulation or be included in an industry code of practice.

One operator stated that no regulation or code of practice is necessary, while another stated that it already provides the option to its consumers. A third operator thought that it should be mandatory for operators to provide consumers with an opt-out option, but did not state if it should be in the form of a regulation or a code of practice.

Consumers did not comment on this issue.

34. Respondents were invited to comment on whether awareness among users on how to avoid unsolicited emails (for example, by activating junk email filter options in email boxes) should be promoted, and if so who this responsibility should reside with.

One operator was of the opinion that awareness was already reasonably good among customers.

One operator stated that it already promotes awareness among consumers through its website and considered that TRA had a useful role to play in raising general consumer awareness through education campaigns (but that there should not be an attempt to standardise the technical specifics of email filtering). One operator stated that the individual operators should remain responsible for specific help.

Report

Summarising responses to the Consumer Protection Consultation

One consumer stated that it is the duty of TRA to educate consumers on how to avoid unwanted bulk emails. An operator pointed out that spreading awareness should be initiated by TRA and consumer-related entities.

35. Respondents were invited to provide suggestions other than the above for managing the problem of unsolicited emails.

During the public hearing, TRA received a comment on the need to impose restrictions on the size of bulk emails.

Report

Summarising responses to the Consumer Protection Consultation

(C) The procedure for disconnecting telecommunications subscribers for non-payment

36. Respondents were invited to comment on their experiences of disconnection under the current regime by highlighting major issues such as access to emergency services.

One operator highlighted the fact that both their mobile & fixed lines have access to emergency services numbers even when the line has been disconnected (temporarily out of service).

37. Respondents were invited to comment on the level of transparency of the current disconnection policies implemented by operators, and on whether the current level of transparency is adequate or there is a need for greater transparency with regard to these policies.

Two operators replied to this consultation question. One operator was of the opinion that the level of transparency for its disconnection policy is high. Another operator commented that its policy was available through calling a helpline or going to one of its outlets, and was also published on its website.

One consumer acknowledged that the disconnection policy in the mobile sector has improved because of competition, but also noted that policies should be clear to consumers.

38. Respondents were invited to comment on whether current means of notifying a consumer of the proposed disconnection are adequate, and whether there is a need to consider alternative notification methods, such as delivery by registered post, telephone reminders or automatic rerouting of outgoing calls to a credit hotline.

Two operators were satisfied that their current means of notifying a consumer of a proposed disconnection were adequate – this consists in general of a series of numerous reminders and warnings to the consumer with some operators offering the possibility of reconnection 24 hours a day.

Some consumers commented during the public hearing that steps should be taken to improve the notification of consumers of a proposed disconnection. One consumer mentioned that the matter is very important and action should be taken with regard to regulating operators' policies. Two consumers were in favour of setting minimum guidelines stating the frequency and number of

Report

Summarising responses to the Consumer Protection Consultation

reminders, with a gradual reduction in the service (e.g. first disabling outgoing, then incoming calls). One consumer commented that such telephone reminders should not be through IVR and that there should be a minimum of one telephone call to notify the consumer of the proposed disconnection.

39. Respondents were invited to comment on whether there is a need to readdress the disconnection policies of operators in Bahrain in order to ensure better protection of consumer rights.

Two operators considered that their current policies in relation to disconnection offer good protection for consumers. One of them considered that there is no need to readdress the disconnection policy, while the other highlighted the numerous options for paying bills, the system of reminders and the availability of customer service.

One of the respondents considered that TRA should regulate the disconnection procedure. Two consumers were in favour of imposing minimum requirements or guidelines on disconnection procedures, which would be drawn up by the TRA.

40. Respondents, and especially consumer representatives, were invited to discuss cases where a service was disconnected due to non-payment of another service (i.e. disconnecting a fixed line in response to an unpaid mobile bill). Respondents were also invited to give their views on the impact of this practice on the industry and consumers.

One operator indicated that mobile service debts could be transferred onto either another mobile or a fixed line account. Another stated that if a number of lines were billed under the same contract, then non-payment for any of the lines could lead to termination.

A concern was raised during the public hearing as to whether a service provider could legally cut off the service of one line for non-payment of another.

Report

Summarising responses to the Consumer Protection Consultation

41. Respondents were invited to give their views on whether it would be appropriate for operators to make compensation payments to customers who have been mistakenly disconnected, and if so, how compensation payments might best be calculated.

Two operators expressed the view that compensation may be appropriate for customers who have been mistakenly disconnected – one operator stated that their policy was to compensate in proportion to the number of days the customer had been disconnected. The operators appeared to feel that compensation policies should be determined by individual operators.

Consumers had no comments on this issue.

42. Respondents were invited to comment on whether disconnected lines should still have access to emergency services, and on the possible impact of not having access to emergency services.

Three operators and two consumers agreed that access to emergency services numbers were important and should be available on disconnected lines (if technically possible). This is the policy of one operator.

Another operator pointed out that the emergency services numbers are managed by an operator that does not allow access to emergency services numbers from other operators' disconnected lines, and that this was therefore outside that operator's control.

43. Respondents were invited to comment, with supporting evidence, on the implications of ensuring that emergency numbers remain accessible via a telephone line which has for all other purposes been disconnected from the national telecommunications network.

Whilst all operators agreed that access should be available for emergency services numbers it was pointed out by one operator that these numbers are managed by one operator that does not allow access free of charge.

44. Respondents were invited to consider whether there are any circumstances in which disconnection without notice may be appropriate.

One operator believed that disconnection without notice was acceptable in certain circumstances, for example where there has

Report

Summarising responses to the Consumer Protection Consultation

been fraud. Another operator, however, expressed the view that the circumstances in which such a step should be taken are extremely limited and that they could not contemplate doing so.

45. *Were it considered that measures need to be introduced to enhance consumer protection with regard to disconnection policies, respondents were invited to comment on which of the options discussed above would best address the issue.*

Two operators did not feel that any further measures needed to be introduced to enhance consumer protection with regard to disconnection policies. If any measures were nonetheless introduced, one operator expressed a preference for individual operators submitting their policies to TRA for review rather than complying with a standard regulation.

One of the respondents considers that TRA should review and approve the operators' policy and issue a regulation in that regard.

Two consumers considered that TRA should publish specific guidelines and/or impose minimum requirements on disconnection.

46. *Respondents were invited to comment on whether TRA should require operators to submit their policies and procedures for approval. Respondents were further invited to comment on whether this obligation should be introduced by means of issuing a regulation.*

Three operators did not believe that they should be required to submit their policies for approval to TRA – they felt that this would be unnecessary and unduly burdensome. One operator commented that the disconnection process should be a matter for individual operators to determine.

One of the respondents and, during the public hearing, consumers felt that disconnection policies should be submitted for TRA approval.

47. *If TRA were to publish guidelines on minimum requirements for disconnection policies, respondents were invited to comment on whether adherence to these guidelines should be mandatory or voluntary.*

Three operators were of the opinion that adherence to such guidelines should be optional. One operator pointed out that it

Report

Summarising responses to the Consumer Protection Consultation

would be extremely difficult to create an effective “one size fits all” policy.

48. Respondents were invited to comment on whether it would be appropriate to issue such guidelines for both the fixed line and mobile markets, and whether these should differ between the two markets, in what respects and for what reasons.

Three operators did not believe a distinction should be drawn between mobile and fixed line markets – two of them reiterated their view that they did not believe such guidelines to be necessary. However, two operators thought that should such guidelines be implemented, they should be the same for both mobile and fixed line services, with a possible exception for access to emergency services, which one operator felt to be more important for fixed lines. The third operator thought that the main factors to be taken into account should relate to the nature of the service provided rather than the sector (i.e. mobile as compared to fixed services).

During the public hearing, one consumer suggested such guidelines should be made mandatory through a regulation. Examples of the areas that should be covered by these guidelines included contacting subscribers, agreeing minimum payments, negotiating additional time to pay outstanding bills and access to emergency numbers.

Another consumer during the public hearing suggested that, were such guidelines not made mandatory, TRA should rank operators according to their policies. If TRA made certain minimum requirements mandatory, such a ranking process would be optional. In any case, respondents considered it essential that certain guidelines and/or minimum requirements should be put in place to describe a grace period for payments, the number of reminders, etc.

Report

Summarising responses to the Consumer Protection Consultation

49. Respondents were invited to comment on whether more information should be made available about operators' disconnection policies and procedures. Respondents were also invited to comment on whether there should be an obligation on operators to publish these policies and whether this obligation should be part of a regulation.

One operator thought that all operators should publish their disconnection policies in the interests of transparency, because transparency is important for consumer protection and helps create a more competitive market environment. Two operators felt that it should be left to individual operators how they publicise their disconnection policies.

During the public hearing TRA received comments that disconnection policies should be published in order to make potential consumers aware of them before they subscribed to a service.

50. Respondents were invited to comment on whether specific recommendations should be made to increase accessibility to the operators' published policies for vulnerable groups such as the elderly or partially sighted, e.g. large font and Braille publications.

One operator felt that current accessibility was adequate and further noted that it would consider adding its disconnection policy to its terms and conditions. Another operator thought that any further measures to increase availability should be left to individual operators to decide. One operator felt that such requirements would be a significant financial burden for smaller operators.

The Saudi Bahraini Institute for the Blind was receptive to the idea of communicating in large font for the visually impaired and in Braille for the blind.

51. Respondents were invited to suggest other solutions that could be implemented to enhance the protection of consumer rights with regard to disconnection policies.

One operator emphasized the role of TRA in giving guidance to consumers so that they can make informed decisions when selecting an operator.

Report

Summarising responses to the Consumer Protection Consultation

4. RESPONSE TO INFORMATION REQUESTED OF LICENSED OPERATORS

4.1 As part of its consultation process, at Annex 1 of the consultation paper TRA requested certain information from licensed operators relating to their services.

The provision of pre-paid telecommunications services

4.2 TRA received 13 responses to its information request in relation to the provision of pre-paid services, including responses from both Batelco and MTC Vodafone. Due to the nature of the information requested, the actual figures provided in their responses are confidential. In general terms, however, it is possible to state that a very large number of consumers would be affected in the event of either Batelco or MTC becoming insolvent, with a commensurately large aggregate financial exposure for consumers as a whole. By comparison, smaller providers of pre-paid telecommunications services have significantly fewer customers and their aggregate financial exposure is reduced accordingly. However, the potential financial exposure for individual consumers appears to be greater for those purchasing pre-paid services from smaller providers than for those purchasing them from either Batelco or MTC. This may be because the larger operators have many more customers purchasing small amounts of pre-paid credit – this would have the effect of reducing the average exposure of the individual consumer.

The procedure for disconnecting telecommunications subscribers for non-payment

4.3 TRA received responses from both Batelco and MTC Vodafone to its information request in relation to operators' disconnection policies. As with the above, the actual figures provided in their responses are confidential.

4.4 For Batelco, in 2005, the average monthly number of fixed-line accounts on which payment was overdue (as a percentage of the total number of active fixed-line subscribers) was quite significant. The percentage of active post-paid mobile accounts on which payment was overdue was even higher. However, the average monthly number of fixed-line accounts which were actually disconnected due to non-payment (expressed as a percentage of subscribers) was quite low. The percentage of post-paid mobile accounts that were disconnected was comparable to the percentage

Report

Summarising responses to the Consumer Protection Consultation

of fixed-line accounts disconnected, but slightly lower. It appeared that both of these figures had shown a slight improvement in 2004. Batelco stated that an average number of eight reminders were sent to its fixed-line subscribers before a line was disconnected for non-payment, compared to 15 reminders to its post-paid mobile subscribers. The information provided by Batelco showed that very few of the average monthly number of fixed lines that were disconnected were disputed. Batelco was unable to provide any information as to the number of mobile accounts disconnected that were subsequently disputed by its subscribers.

- 4.5 For MTC Vodafone, in 2005, the average monthly number of overdue accounts (where an invoice remained outstanding and the account was barred from making outgoing calls) as a percentage of its total number of active mobile subscribers¹ was quite low. As with Batelco, the average monthly number of accounts which were actually closed (where both outgoing and incoming calls had been barred and the line consequently disconnected), expressed as a percentage of subscribers, was much smaller. Both of these figures had improved in comparison to 2004. MTC noted that an average number of eight reminders were sent to its subscribers before disconnection. Although it has only recently started to keep track of any disconnection disputes, MTC also stated that, as far as it was aware, there had never been any written dispute over a disconnection. It was unable to comment on the number of any oral disputes prior to it beginning to keep records.
- 4.6 TRA did not receive any information regarding numbers of disconnections from any other licensed operators.
- 4.7 It can be seen from the above that on a monthly basis a significant number of accounts are subject to some form of disconnection procedure for non-payment. This gives additional weight to the concerns raised by consumers in response to the consultation that there should be certain minimum standards that are observed by operators in the event of non-payment of a bill in order to ensure that the disconnection process is both fair and transparent.

¹ MTC does not provide fixed services in Bahrain.