

CRTC Telecommunications Sales Practices Review and Report – What Consumers Need to Know



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

Public Interest Advocacy Centre

23 August 2018

[submission date corrected]

Introduction: What is the Telecommunications Sales Practices

Review?

You may have heard that the Canadian Radio-television and Telecommunications Commission was asked by the federal government to hold a public inquiry into how telecommunications companies sell their services (meaning services for Internet, home phone, wireless phone and even including paid TV) to Canadians and whether or not they do so fairly and transparently.

The CRTC says it wants to hear from the public – from you – about this. Chances are, you are a consumer and have had experience with these sales first-hand. Or you look after someone else's services for them. You want to participate. This document helps you do that.

What is PIAC?

The Public Interest Advocacy Centre (PIAC) is a national non-profit organization and registered charity that provides legal and research services on behalf of consumer interests, and, in particular, vulnerable consumer interests, concerning the provision of important public services. We have been active in the CRTC for nearly 30 years on behalf of consumers and the public interest. We called for this inquiry and we intend fully to participate in the CRTC's investigation.

Why Do We Care About Telecom Sales?

We at PIAC are taking this sales review very seriously. In our lengthy experience with Canada's telecommunications market, we believe the CRTC has rarely focused on the consumer experience with telecommunications sales. This inquiry and the eventual report to the government it will lead to is the first real chance for the public – you – to comment on the way your essential communications services are sold to you. And such an opportunity to comment likely won't come around again for a long time.

We've also seen public reports from the CBC and other media about customers who feel they have been misled by the sales practices of major telecommunications companies or faced aggressive or inappropriate sales tactics. PIAC has also received a number of complaints directly and we note that the Commission for Complaints for Telecom-television Services (CCTS) also has taken many – although it does not specifically track “misleading, inappropriate or aggressive sales” (PIAC's formulation of the problem). The CCTS did, however, in its last full year of reporting, receive over 2000 complaints that it categorized as: “Non-disclosure of terms/Misleading information about terms”. PIAC believes that the majority of this issue category concerns sales practices. In addition, the CCTS tracks issues related to “Material contract change” (nearly 800 in this period) and PIAC also believes many of these complaints were linked to poor/misleading sales practices. In short, Canadians are complaining; it's time to do something to make the telecommunications services market work better for consumers like you.

Your story is the key to making that change in the market – so that the CRTC understands what is going on and can make sure that customers again can trust telecommunications companies to sell fairly and honestly to them. However, there are different ways to tell your story to the

CRTC. Some will be more effective than others. Some will make it more comfortable and secure for you. PIAC has experience in this area. Here is our primer.

First, let's look at the questions the CRTC is asking in this inquiry.

CRTC Questions to Consumers (Customers)

The CRTC has asked consumers (customers) the following questions about telecommunications companies' sales practices (how you bought your Internet, home phone and bundled TV service):

Misleading or aggressive sales practices

2. The OIC [Order in Council, that is, the government's request to the CRTC to look into sales practices] described misleading or aggressive sales practices as including providing consumers with incomplete, unclear or misleading information regarding service terms and conditions or selling them telecommunications services that are unsuitable for them.

- Q1. *In your interaction with a service provider, do you think the service provider used plain language that was easy to understand?***
- Q2. *Have you experienced misleading or aggressive sales practices from a service provider? If so, provide details about that experience, including the service provider and service in question, when and how the sales interaction occurred, the nature of the sales practice used, and what avenues you may have used to address the sales practice.***
- Q3. *In your opinion, are bundles of services, and any associated discounts, a source of confusion? Why? What telecommunications and/or television services were included or offered to be included in the bundle?***

PIAC's Comment on These Questions:

You can answer all of these questions, however, we believe Q2 is where consumers should place the most emphasis and take the most time in answering. No detail is too small or insignificant, as it helps the CRTC see the context of the sales experience from your perspective, not the company's. This is your chance to describe the interaction you had from a customer perspective: your take on the deal. Q3 is also important if you were sold a "bundle" of services (that is, 2 or more services for which you were offered a reduced price compared to buying the services separately, or some other incentive, such as a free tablet or a month of free TV service). PIAC believes many of the confusing aspects of telecommunications sales are linked to the bundling of services, as consumers are asked to rapidly calculate the "value" of each of the services and to try to determine the final price in total.

PIAC also believes that these questions do not ask about selling only services that are "suitable" for each customer – what the government in its Order specifically asked about. We encourage you to think about what would have been the "right" or "right-sized" package of

telecommunications services for you when you bought them and whether you were “oversold”, that is, offered more than what you needed or what you asked for, what you thought was right for you, or what you could afford (as in, what was “suitable” for you at that time). Please be sure to answer this “suitability” question, even though it’s not specifically asked about by the CRTC. (Note, this is what PIAC means by “inappropriate” sales). The government wants to know about inappropriate sales, and this matters to you. Please be sure to address the suitability of the services you were sold, if possible.

Finally, PIAC alerts consumers to the following “how to” paragraphs from the CRTC’s Notice of Consultation about providing your stories:

Consumers

13. To better understand the prevalence of misleading or aggressive retail sales practices in the Canadian marketplace and identify which ones harm or risk harming consumers, the Commission is seeking comments from Canadians on their personal experiences with such practices, including comments from people who are vulnerable due to their age, a disability, or a language barrier.

14. Comments provided to the Commission regarding consumers’ personal experiences should identify, where applicable,

- the service provider and service in question;*
- when and how the sales interaction occurred (e.g. in person, on the phone, etc.);*
- the nature of the sales practice used and why the consumer views it as misleading or aggressive; and*
- avenues that the consumer used to address those sales practices and the results of the consumer’s attempt to rectify the situation, if any, as well as whether the consumer was aware of any other recourse available to them.*

15. Consumers are reminded that in their interventions, they should provide supporting rationale and all the evidence upon which their comments are based.

In short, the CRTC wants not just your story or opinion, but also any documents that were involved in the sale and wants you to provide details about the service provider, the mode of sale, your opinion of the sale and why it was or was not “misleading or aggressive”.

CRTC Questions to “Vulnerable” Consumers

The CRTC also was directed to consider if some Canadians who may be particularly vulnerable to misleading or aggressive sales practices could answer these additional questions. The CRTC identified Canadians that due to “age, a disability, or a language barrier” might be more vulnerable to these sorts of sales. However, any person who has a vulnerability that makes them more susceptible to being misled or bullied into a sale should self-identify (explain their vulnerability, or, if answering for another, the other person’s vulnerability). Here are the specific questions the CRTC has asked to be answered by those vulnerable consumers:

Additional questions for Canadians who may be particularly vulnerable to misleading or aggressive sales practices

3. The OIC noted that vulnerable Canadians, such as those who are vulnerable due to their age, a disability, or a language barrier, are more likely to be impacted by misleading or aggressive sales practices.

Q4. As a Canadian with a disability, did you find that the service provider accommodated your needs to ensure that you were able to make an informed decision about the telecommunications and/or television services sold or offered for sale? If so, how? If not, what else do you think could have been done to help you to make an informed decision in respect of the sales interaction?

Q5. As an older Canadian, did you find that the service provider made an effort to ensure that you were able to make an informed decision about the telecommunications and/or television services sold or offered for sale? If so, how? If not, what else do you think could have been done to help you to make an informed decision in respect of the sales interaction?

Q6. As a Canadian with a language barrier, did you find that the service provider made an effort to ensure that you were able to make an informed decision about the telecommunications and/or television services sold or offered for sale? If so, how? If not, what else do you think could have been done to help you to make an informed decision in respect of the sales interaction?

PIAC’s Comment on These Questions:

There is no shame in identifying yourself as vulnerable; we are all vulnerable in some situations in our lives. The more information you can give about your personal circumstances and the fairness and appropriateness of the telecom sales that you purchased or were pitched, the better.

You may wish to add, in addition to the answers to these questions, how a product more suitable to your situation could have been sold to you. For those answering questions on behalf of vulnerable Canadians in these categories (such as a relative, caregiver, friend or other helper

- let's call them an "assistant"), describe whether the product sold was suitable, and indeed, if it was even possible to have sold a suitable service, fairly, to this vulnerable customer. That is, given the situation of the customer, should the vulnerable customer have been sold anything directly, without help from their assistant? How would you alert the seller to the need for him or her to deal with the assistant instead of the vulnerable customer? If it were possible to deal directly with the customer, what sort of accommodation should the customer have been given: more time to decide, simpler language materials, native language materials, alternative format materials, etc.?

Conclusion

As we noted, this is a rare opportunity to change the way telecommunications companies sell you Internet, home phone, television and wireless services. The more public comments that are made, the better the CRTC's eventual report will be, and the more options for positive change that can be tried by the CRTC, the government or the companies themselves.

PIAC encourages all Canadians to give feedback to the CRTC. But hurry, **your comments must be received by the CRTC by 30 August 2018 at 8 p.m. E.D.T.** *[date corrected]*

Quick Links

To read the CRTC's full Notice of Consultation:	https://crtc.gc.ca/eng/archive/2018/2018-246.htm
To submit your comments:	https://services.crtc.gc.ca/pub/CommentForm/Default-Default.aspx?lang=e&EN=2018-246&ET=N&S=O&PA=a&PT=nc&PST=a&FN
To contact the CRTC:	https://crtc.gc.ca/eng/contact/
To contact PIAC:	https://www.piac.ca/