



**INDEPENDENT CONSUMER & COMPETITION COMMISSION**

# Customer Service Charter

First Draft

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**TELECOMMUNICATIONS INDUSTRY**  
**CUSTOMER SERVICE CHARTER CODE OF PRACTICE**

**FOREWORD**

The Independent Consumer and Competition Commission (“Commission”) is a statutory authority, established under Section 4 (1) of the *Independent Consumer and Competition Commission Act 2002* (“ICCC Act”) and the Commission derives its power from it. The Commission’s primary objective is to enhance the welfare of the people of Papua New Guinea (PNG) through the promotion of competition, fair trading and consumer protection, and to promote economic efficiency in industry structure, investment and conduct and to protect the long term interests of the people of PNG with regard to price, quality and reliability of certain goods and services.

The Commission comprises of one full time Commissioner and two Associate Commissioners, who may be full time or part time. One of the Associate Commissioners must have international experience in the operation and administration of an economic regulatory regime and must be a non-resident of PNG. The Commission is independent of the Government in its decision making, however is accountable to Parliament.

Under the *Telecommunications Act of 1996* (“Act”), the Commission is the principal telecommunications regulatory body for PNG pursuant to section 19A of the Telecommunication Act, apart from administering the Act itself, the Commission is responsible for administering other telecommunications regulatory instruments that form the telecommunications regulatory framework for PNG.

Section 66A of the Telecommunication Act allows the Commission to determine codes of practice to be followed by telecommunication carriers in the course of their operations.

The Commission is developing this Telecommunications Industry Customer Service Charter Code of Practice to add to the existing telecommunications regulatory framework, and its main objective is to ensure that there is a minimum standard for addressing a variety of customer needs as consumers of telecommunications services in PNG

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## EXPLANTORY STATEMENT

This is the Explanatory Statement for the Telecommunications Industry Customer Service Charter Code of Practice (the “Code”).

This explanatory statement outlines the purpose of the Code and the factors that have been taken into account in developing this code.

### Background

This Code has been developed to establish a range of rules and guidelines for telecommunication carriers’ use in a number of areas related to the delivery of customer service. In designing the code, the Commission has sought to incorporate international best practices in these areas.

The Commission is developing the code under section 66 A of the Telecommunication Act, which allows the Commission to develop Codes of Practice which are to be followed by carriers in the course of their operations.

Currently, the telecommunications industry consists of one general carrier, Telikom PNG who owns and operates a fixed line network in PNG. In addition, there are two mobile telephony operators, Pacific Mobile Communications (PMC) and Digicel.

After more than three decades, the structure of the telecommunications industry in Papua New Guinea is changing rapidly. Prior to the National Government’s decision in November 2005 to introduce competition into the mobile sector, the sole provider of fixed line and mobile telecommunications services in PNG was the state, which provided telecommunications services through the former Post and Telecommunications Commission and its successor, the state owned entity, Telikom PNG.

With the introduction of competition into the mobile sector, consumers in PNG now have a greater choice of mobile telecommunication carriers who will offer a broad range of new and innovative services and products; and in this new telecommunications environment, PNG consumers will expect a much improved level of service. It is important that in this new telecommunications environment, PNG consumers will have reliable and easy to access to telecommunications services.

### Current Regulatory Arrangements

While the current telecommunications regulatory framework contains general provisions with regard to the protection of consumer’s rights, the framework does not contain a specific regulatory instrument that guides or directs telecommunication carriers to develop or implement a range of customer services processes.

Section 104 of the *Independent Consumer and Competition Commission Act 2002 (ICCC Act 2002)* outlines the policy of the State to protect the rights and interests of consumers and to monitor standards for the ethical conduct of those engaged in the production and distribution of goods and services. In addition section 105 of the ICCA Act 2002 outlines the rights of consumers which include the right to; safety, choice, consumer education, information, representation and redress.

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Section 2 of the Act lists the general objectives of the Act, which include the need for carriers to achieve high levels of accountability and responsiveness to customer and community needs.

Therefore, the current regulatory framework is inadequate as it does not contain a specific outline of what are an appropriate set of customer service delivery processes.

Recognising the need to have a specific regulatory instrument that addresses carrier responsiveness to customer needs, section 66 A (2) of the Act specifically lists a Customer Service Charter Code of Practice that may be developed by the Commission for carriers to adhere to.

### **How the Code builds on and Enhances Current Regulatory Arrangements**

This Code will complement and strengthen the current regulatory framework by providing telecommunications Carriers in PNG with a practical guideline for developing a number of customer service processes.

### **How the objectives will be achieved**

This Code will apply to General Carriers and Mobile Carriers in PNG (collectively known as Carriers). However, this Code will not apply to holders of restricted general carrier licenses. Carrier compliance with this code is mandatory under the condition of its license.

### **Anticipated Benefits to Consumers**

Consumers are expected to benefit from this Code as a result of improved customer service processes that Carriers will be required to establish within their organizations. Carriers will be required to inform their customers of the new processes and in addition, customers will be made aware of external avenues for redress should they remain unsatisfied with the Carrier's handling of the service requirements set out in this code.

Most importantly, customers will have confidence that their services will be dealt with appropriately and in a timely manner.

### **Anticipated Benefits to Industry**

Telecommunications Carriers are expected to benefit from this Code through the expectation that having minimum standards for handling a range of customer services will generate higher levels of customer satisfaction and customer retention rates and improved operational efficiency for the Carrier.

### **Anticipated Costs to Industry**

It is expected that Carriers will incur initial and ongoing costs in relation to compliance with this Code, depending on the level and complexity of their current respective processes. Carriers are expected to incur initial and ongoing costs in relation to the education and training of staff, development or enhancement of policies and procedures, development or modification of internal systems, employment of additional staff, volume

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related costs in relation to the recording more transactions in greater detail, and compliance monitoring programs. These costs will be partly offset by earlier identification of systemic issues and by improved customer retention rates. It is understood that some changes to systems and processes will take time to implement and the Commission is willing to provide limited time before compliance with those elements of the code are enforceable. This timeframes will be discussed with Carriers during the industry consultation phase of the code implementation.

### **Review of Code**

The Commission expects to review this code at least 3 years from the date of implementation or earlier if necessary.

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## **1 INTRODUCTION**

- 1.1 This customer Service Charter Code of Practice (“Code”) has been developed pursuant to section 66 A of the *Telecommunications Act 1996* (“Act”).
- 1.2 This Code relates to a range of customer service actions carried out by Carriers.
- 1.3 Compliance with this Code does not ensure compliance with other mandated legal and regulatory obligations imposed on Carriers
- 1.4 If there is a conflict between the requirements of this Code and any requirements imposed on a carrier by statute, the carrier will not be in breach of this Code by complying with the requirements of the statute.
- 1.5 For the purposes of this Code, the acronyms, definitions and interpretations, as defined in Section 4 apply unless otherwise stated.

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## **2 SCOPE AND OBJECTIVES**

### **2.1 Scope**

2.1.1 This Code applies to holders of unrestricted General Carrier Licences and holders of mobile carrier licenses.

2.1.2 This Code sets out minimum requirements for a Customer Service Charter by Carriers in relation to Telecommunications Activities as defined in Section 54(a)(i), 54 (a) (ii) and Section 16 of the Act. This Code covers a range of customer service matters involving carriers.

2.1.3 The requirements of this Code apply to Carriers irrespective of the nature of the service or the size of the organization receiving the service. It is recognised that the procedures put in place to implement these requirements will vary according to the size and nature of the Carriers.

2.1.4 This Code excludes:

- (a) service arrangements between Carriers;
- (b) complaints and disputes subject to legal action;
- (c) obligations imposed on Carriers by statute;

### **2.2 Objectives**

The objectives of this Code are for Carriers to develop and enforce a comprehensive range of Complaint customer service processes which will maintain and enhance Customer satisfaction through:

- (a) recognising, promoting, and protecting Customers' rights;
- (b) providing an efficient, fair and accessible mechanisms for a range of customer service processes for handling
- (c) providing information to Customers on the process described in this Code.

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### 3 ACRONYMS, DEFINITIONS AND INTERPRETATIONS

For the purpose of this code, the following acronyms may apply:

#### 3.1 Acronyms

**ICCC – Independent Consumer & Competition Commission**

#### 3.2 Definitions

For the purpose of this code, the following definitions apply:

**Code** means this code referred to as Customer Service Charter Code of Practice.

**Commission** means the Independent Consumer Competition Commission established by the Independent Consumer Competition Act 2002.

**Act**

Means the *Telecommunications Act 1996*

**Carrier**

Has the meaning given by section 3 of the Act

**Customer**

means a person or entity who:

(a) has a contract, including standard forms of agreement, with a Carrier for the supply of a telecommunications Product; or

(b) is eligible under the criteria set by a Carrier to enter into a contract for the supply of the telecommunications Product.

**Product**

means a telecommunications good or service offered by a Carrier.

**Telecommunications Activity**

means

(a) carrying on business as a Carrier; and/or

(b) supplying a Product associated with telephony.

**Working Day**

means, in a location, a day that is not a Saturday or Sunday or public holiday in that location.

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### **3.3 Interpretations**

In this Code, unless the contrary appears:

- (a) words in the singular include the plural and vice versa;
- (b) words importing persons include a body whether corporate, politic/public? or otherwise;
- (c) a reference to a person includes a reference to the person's executors, administrators, successors, officers, employees, volunteers, agents and/or subcontractors (including but not limited to, persons taking by novation) and assigns.
- d) The headings are for the purposes of reference only and do not affect the interpretation of this Customer Services Code

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## **4 Major Sections of this Code**

### **4.1 Advertising**

### **4.2 Providing Information to Customers**

### **4.3 Identification of Staff**

### **4.4 General Requirements of Customer Contracts**

### **4.5 Transferring Customers between Carriers**

### **4.6 Cooling off Periods**

## **4.1 Advertising**

Relating to promoting products and services, minimum requirements of advertising of telecommunications products and services are”

- Fees – must include connection and time based charges where relevant
- Limits on time, duration or quantity of the advertised products or services
- Claims as to savings must be accurate and not subject to misleading statements or lacking in sufficient information that a reasonable assessment of the value of the offer cannot reasonable be made
- Customer limitations – by location or type of customer eligible for the offer (e.g. business only)
- Use of the term ‘free’ means
  - No charge, fee or cost applies
  - No other products or services are bundled with the free product that are above their normal price in any way
- Use of the term ‘unlimited’ means
  - Clearly identifies the product or service for which there is unlimited access for a fixed price
- Comparative advertising claims
  - Must clearly describe the comparative products being advertised
  - Provide sufficient information on pricing and product performance that is current and accurate

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to allow a reasonable assessment to be made of the claims made against another product or service

- Restrictions that may apply to an offer of products or services – eg
  - term of acceptance,
  - prepayment,
  - credit checks,
  - minimum term of commitment,
  - penalties for over use etc
  - technical limitations
  - disclaimers

#### **4.2 Providing information to customers**

On request, customers must be provided the following minimum information about the Carriers product and services:

- Product description
- Operating instructions
- Contract terms
- Contract copy, signed by the customer or their representative
- Cost information
- Warranties on equipment
- Service levels that apply to services
- Sales support details
- Mobile coverage maps
- Lists of current resellers

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### **4.3 Identification of staff**

All staff likely to have any contact with the public in the course of their work must carry and be willing to present a suitable form of identification that provides the following information:

- Name
- Employee number or other unique identification
- Address and phone number of the office/depot location for the staff member

### **4.4 General requirements of customer contracts**

- Term of the contract
- Penalties if the term or any other condition is breached by the customer
- Parties to the contract to be clearly identified
- Product or service description to be provided
- Costs or reference to the location of costs (refer to the price book as per billing and credit control code of practice)
- If the service to be provided includes mobile telephone service, the carrier must offer to show coverage maps of PNG
- State minimum total charges that might apply over a fixed term
- Where the service is not provided through a failure to deliver the service by the carrier for more than 7 days, the carrier will cease billing the customer until the service is restored
- Eligibility for discounts – the customer must be informed of any conditions that must be complied with to achieve specified discounts, eg
  - Minimum total expenditure to qualify
  - Term of contract
- Clear and consistent language must be used
- Include contact details in the carrier organisation that will allow the consumer to make enquiries about any part of the contract

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## 4.5 Transferring customers between carriers

### General Requirements

- The objective is to minimize the unauthorized transfer of customers from one carrier to another, and to ensure approved transfers are conducted efficiently and quickly
- Requirements of sales staff and sales agents of the carrier to:
  - Identify themselves as representing their carrier or their agent
  - Leave premises visited for door to door selling if requested
  - Receive training prior to seeking transfers that includes
    - Relevant areas of legislation relating to sales, fair trading and customer rights
    - This section of the Code
  - Prove accurate and current information to potential customers
  - Must not mislead customers if referring to other carriers services
  - Must not mislead the carrier's affiliation with other carriers

### Before a Transfer Takes Place

- Confirm the name of the authorized customer
- Ensure the service is in the name of the authorized customer, and not an authorized representative
- Ensure written consent is obtained from the authorized customer or their authorized representative
- Ensure the consent received is informed consent based on the following understanding and agreement with the authorized representative or authorized customer:
  - That the authorized customer is entering into a new contract
  - Exactly which service is being transferred
  - That the terms and conditions relating to the new service are provided and understood

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- That there may be obligations with the existing contract being cancelled and the authorized customer or their authorized representative must check these obligations

**At the time of sale the new carrier must**

- Provide identity and contact details of the new carrier including for an enquiry or complaint regarding the transfer process
- How the customer will determine that the transfer has taken place
- Confirm the accuracy of the customer details

**Following the sale the new carrier must**

- Maintain auditable records of the contract with the authorized customer
- Provide access to the contract records upon request by the authorized customer or their authorized representative

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## **5 Cooling off Period**

- Carriers should consider the use of cooling off periods for contracts where customers may reasonably reconsider their commitment to a product or service, and cancel their contract with no penalty within the cooling off period.