

Customer Complaint Settlement Scheme

For the 1st Trial Year

from 1 November 2012 to 31 October 2013

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1. Introduction

A milestone in the year of 2012 for the telecommunications industry in Hong Kong was the establishment and commencement of the industry Customer Complaint Settlement Scheme (“CCSS”) for a two-year trial period. The CCSS is a mediation scheme with the aim to resolve billing disputes in deadlock between telecommunications service providers and their residential/personal customers. A CCSS Mediation Service Centre (the “Centre”) has been set up under the Communications Association of Hong Kong (“CAHK”) to manage and operate the scheme.

The industry has shown great support to the CCSS. Eleven major telecommunications service providers and six mobile virtual network operators (MVNOs) have participated in the CCSS and became the CCSS Members. The list of the CCSS Members is shown as follow:

China Mobile Hong Kong Company Limited	China Motion Telecom (HK) Ltd
China-Hong Kong Telecom Limited	China Unicom (Hong Kong) Operations Limited
CITIC Telecom International Limited	CSL Limited
Hong Kong Broadband Network Limited	Hong Kong Telecommunications (HKT) Limited
Hutchison Global Communications Limited	Hutchison Telephone Company Limited
i-CABLE	IMC Networks Limited
New World Mobility Limited	New World Telecommunications Limited
PCCW Mobile HK Limited	SmarTone Mobile Communications Limited
Wharf T&T Limited	

The Office of the Communications Authority (“OFCA”) has sponsored the operation of the CCSS, through a Memorandum of Understanding (“MoU”) signed between OFCA and CAHK, by contributing the necessary funding during the trial period and playing an active role in monitoring the performance and the governance of the scheme, and providing other administrative support.

Under the CCSS, mediation service is provided by independent and trained mediators, via telephone communication or meeting, to assist the concerned parties to identify the issues in dispute, their respective positions and expectations; to facilitate the negotiation; to formulate a solution; and ultimately to reach a settlement agreement regarding the resolution of the whole, or part, of the dispute.

Customers who choose to use the mediation service under the CCSS should first contact OFCA which would assess the cases against the qualifying criteria (e.g. the concerned disputes were billing disputes; the amount in dispute was not less than HK\$300; a deadlock was reached (i.e. dispute remained unsettled for more than 6 weeks since the customer had first complained to the service provider)). OFCA would refer accepted cases to the Centre for arrangement of the mediation. For accepted case, the customer and the telecommunications service provider are required to pay HK\$100 and HK\$200, respectively, as the service fees for using the mediation service under the CCSS.

2. Organisation Structure, Governance and Operation of the Centre

The Centre comprises a Governing Committee and an Operating Team in accordance with Schedule 2 of the MoU. They are supported administratively by a secretariat.

2.1 Organisation Structure

GOVERNING COMMITTEE

Dr. Hubert Chan JP – Chairman of CCSS

Mr. Tony Hau – Member of CCSS

Mr. Alex Tam – Member of CCSS

OPERATING TEAM

Ms. Kathlin Liao - Executive and full-time mediator of the Centre

Mr. Gilbert Chan - Part-time mediator of the Centre

Mr. Jason Wong - Part-time mediator of the Centre

Mr. Paul Ho - Part-time mediator of the Centre

Mr. Alex Wong - Part-time mediator of the Centre

Ms. Eunice Chen - Part-time mediator of the Centre

SECRETARIAT

Ms. Kammy Cheng - Administrative Officer of the Centre

2.2 Governing Committee

The Governing Committee consists of a Chairman who is the Director as well as the Honorary Advisor of CAHK and two members appointed by CAHK. The Chairman is a person of integrity and independent from the telecommunications service providers.

The Chairman's role is to ensure the proper discharge of the duties and responsibilities of the Governing Committee which is responsible for governing the management of financing, appointment of members, employment of mediators and supporting staff, handling of complaints against the Operating Team and other operational aspects of the Centre.

The Governing Committee is also tasked to investigate any complaints raised by the scheme users against the Operating Team in handling of disputes under the CCSS. If necessary, the Governing Committee shall provide recommendations for improvement and monitor the effective implementation of those recommendations. There were no complaints received from the scheme users during the first trial year.

From time to time, CAHK, CCSS Members, OFCA and the Governing Committee conducted meetings to discuss the establishment, management and operation of the CCSS. The chronology of the meetings and major events held for CCSS are tabulated below.

Date	Venue	Nature	Attendance
29 Jun 12	OFCA	Discussion for set up and preparation for launch of CCSS	Representatives from CAHK, CCSS Members, and OFCA
9 Aug 12	CAHK Office	1st Executive Committee ("EXCO") Meeting (1/12) - CCSS Set up issues	Representatives from CAHK, and CCSS Governing Committee Members
7 Sep 12	Happy Valley ClubHouse	2nd EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
9 Oct 12	Lincoln House	3rd EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members

Date	Venue	Nature	Attendance
9 Oct 12	OFCA	Signing of MoU & Alignment Meeting	Representatives from OFCA and CAHK, and mediators
CCSS Launch of Service on 1 Nov, 2012, Press Release published from both CCSS and OFCA			
22 Nov 12	Lincoln House	4th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
20 Dec 12	Lincoln House	5th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
The Centre established at 625 King's Road with the Opening Ceremony on 10 Jan, 2013			
10 Jan 13	The Centre	1st review meeting between OFCA and CAHK	Representatives from OFCA and CAHK
7 Feb 13	The Centre	6th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
20 Feb 13	Lincoln House	1st Meeting with MVNO group	Representatives from OFCA and new MVNO group
20 Mar 13	The Centre	1st Governing Committee Meeting on CCSS	CCSS Governing Committee members
6 MVNO members joined CCSS on 2 Apr, 2013, Press Release published from both CCSS and OFCA			
24 Apr 13	The Centre	7th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
6 Jun 13	PCCW Tower	8th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
26 Jun 13	Lincoln House	2nd Governing Committee Meeting on CCSS	CCSS Governing Committee members and Representatives from OFCA
8 Jul 13	The Centre	9th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members

Date	Venue	Nature	Attendance
4 Sep 13	The Centre	10th EXCO Meeting	Representatives from CAHK, and CCSS Governing Committee Members
31 Oct 13	The Centre	3rd Governing Committee Meeting on CCSS	CCSS Governing Committee members

2.3 Operating Team

The Operating Team comprises an Executive (who is also a full-time mediator) and five part-time mediators.

The members of the Operating Team are appointed in their individual capacity and on the basis that he / she has relevant knowledge of the telecommunications industry and independent from any CCSS Members. In addition, mediators in the Operating Team are equipped with adequate industry knowledge and mediation skills for effective conduct of mediation.

The Executive of the Centre oversees the day to day operation of CCSS and provision of mediation service. The Executive would sit in as panel mediator for normal mediation meeting whenever necessary.

The Operating Team develops and maintains a system for detecting, recording and dealing with governance breaches and complaints, including those cases received from OFCA and other regulatory authorities. Statistics are kept in the system and shared with OFCA for internal record on a monthly basis.

The Operating Team follows the procedure set out in Schedule 3 of the MoU in handling the complaints referred to the Centre. The process is set out as below :

Step 1	<ul style="list-style-type: none"> - Contact the customers referred by OFCA and send email to the customers within 4 working days to collect the consent form, application form, application fee and the other relevant documents; - Request customer to submit the document within 10 working days and send reminder to the customer if failed to receive any reply on day 9
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Step 2	- Verify if sufficient information are received within 4 working days when customer handed in full set of document
Step 3	- Forward customer application form and other document to the related CCSS Member
Step 4	<ul style="list-style-type: none"> - CCSS Members would submit reply form to the Centre within 14 + 5 working days with 5 working days as grace period. If CCSS Member failed to submit all the documents within 14 days limit, the Administrative Officer will notify the Executive & the Governing Committee on Day 14; - Remind CCSS Member to submit reply form on day 12. If the case is settled between the customers and the CCSS Members before conducting mediation, the case would be closed and the CCSS Members and the customer would send the confirmation regarding the settlement to the Centre for record
Step 5	- Arrange the mediation meeting if the required documents from the CCSS Members and the customers are ready. Mediation should be completed be closed within 14 working days for a case after the CCSS Member has submitted the reply form.

The Operating Team monitors the progress of cases and sends reminders to scheme users before the submission deadlines.

The Operating Team keeps the filing of all the original copies of the documents in a locked cabinet for the sake of confidentiality. Soft copies are saved in the server as backup. All records of complaints would be kept for a period of not less than 2 years.

The Operating Team conducts random checking on a monthly basis to ensure the information of the designated channels of the CCSS Members is updated on their website for enquiry by customers. The Operating Team also calls the designated channels to test the awareness of the frontline staff of the CCSS Members on the CCSS.

The Operating Team discusses with the CCSS Members regularly on the result of the

random checking for continued improvement of their frontline staffs' understanding towards the scheme and the way in handling of the complaints related to CCSS.

The Operating Team collects survey forms from the scheme users after completion of each mediation case in order to review their feedbacks, comments and suggestions on the scheme. All survey forms would be sent to OFCA for record once a month.

The Operation Team updates the CCSS website regularly to provide up-to-date information to the public. The CCSS's governance policies and practices, corporate and strategic plans and publication are posted on the CCSS website for public browsing :

- **CCSS Website**
<http://www.ccss.cahk.hk/>
- **About the Centre**
<http://www.ccss.cahk.hk/en/about.html>
- **Schedule 1 of the MoU : Framework of the Voluntary Implementation of Customer Complaint Settlement Scheme**
<http://www.ccss.cahk.hk/en/pdf/Schedule%201%20-%20framework%20of%20CCSS%20%28ver%2030%20Oct%2012%29.pdf>
- **Schedule 2 of the MoU: Governance of CCSS Agent**
http://www.ccss.cahk.hk/en/pdf/Schedule%202%20_Governance%20of%20CCSS%20Agent%20%28ver%2021%20Dec%2012%29.pdf
- **Schedule 3 of the MoU: Operating Procedure of the CCSS Agent**
http://www.ccss.cahk.hk/en/pdf/Schedule%203%20_Operating%20procedure%20of%20the%20CCSS%20Agent%20%28ver%2021%20Dec%2012%29.pdf
- **Schedule 4 of the MoU: Financial contribution**
<http://www.ccss.cahk.hk/en/pdf/Schedule%204%20-%20contribution%20%28ver%209%20Oct%2012%29.pdf>
- **CCSS Leaflet (English Version)**
http://www.ccss.cahk.hk/pdf/CCSS_leaflet_eng.pdf
- **Publication**
<http://ccss.cahk.hk/en/publication.html>

3. Statistics

In the first trial year, OFCA received 106 cases which were within the scope of the CCSS. Among them, 75 cases were satisfactorily settled before referral to the Centre and the remaining 31 cases were referred to the Centre for provision of mediation service.

	No. of eligible cases
Cases settled before referral to the Centre	75
Cases referred to the Centre	31
Total	106

All the 31 cases referred to the Centre were satisfactorily settled.

	No. of cases referred to the Centre
Case settled/ closed <u>before</u> mediation	9
Case settled <u>after</u> mediation	22
Total	31

Among the 31 cases referred to the Centre, over 90% of the cases were related to disputes of data or voice roaming charges, including those cases in which the disputes were caused by the lost of phones or sim-cards and misunderstanding in relation to roaming charges. The disputes amount ranged from a few hundred to several thousand dollars.

4. Performance Assessment

4.1 Key performance indicators (“KPIs”)

KPIs were developed to keep track of the performance of the Centre. The overall achievement of the Centre was shown as below :

KPIs	Target	Result
% of cases with first contact to the customer within 4 working days from the date of referral from OFCA	100%	100%
% of cases with reminders issued to the CCSS Members to return the	100%	100%

CCSS Members Reply Form within 14 working days		
% of cases with conducting Mediation and providing the Settlement Proposal within 14 working days of receipt of CCSS Member Reply Form	75%	100%
% of cases processed within 2mths from date of referral from OFCA to completion of Mediation.	75%	100%
% of case where the Governing Committee completed the investigation of complaints against the Operating Team within 2mths from receiving the complaints	75%	No complaint was received
% of quarterly statistics submitted to OFCA within 10 working days after the end of each quarter	100%	100%
% of projected funding requirements submitted to OFCA no later than 15 working days from the beginning of each new quarter	100%	100%
% of management accounts submitted to OFCA within 15 working days after the end of the last quarter	100%	100%
% of cases resolved through Mediation	30%	100%
Average score of the user satisfaction survey	3	4.5

Over the past year, the Centre achieved 100% of the targets in following the procedures and processes set out under Schedules 2 and 3 of the MoU. The indicators highlighted in yellow reflected the high satisfactory level of the customers and CCSS Members who used the mediation services provided by the Centre.

4.2 Users' Feedbacks

After completion of each mediation case, the scheme user is requested to complete a user satisfaction survey form. The average scores of the feedback received from the completed mediation cases are shown as below:

		Average score (5 as the highest)	
		Customers	CCSS Members
1	The Centre staff have informed me of the procedures in relation to the CCSS process	4.5	4.6
2	The Centre staff have consulted me on a timing and method for conducting mediation that suited my needs	4.6	4.5
3	The Centre staff were responsive to my enquiries	4.6	4.5
4	The Centre staff were helpful and courteous to me	4.7	4.6

5	The mediator was able to facilitate the negotiation between me and the other party	4.5	4.4
6	The charge on using the CCSS service (HK\$100) was reasonable	4.6	N/A
7	The time taken for resolving the dispute via the CCSS was reasonable	4.5	4.5
8	The CCSS was effective in resolving the billing disputes in deadlock	4.1	4.4
9	The overall arrangement of the CCSS was satisfactory	4.3	4.4
	Average total score:	4.5	4.5

In addition, there are some special comments provided by the customers (examples of which are given in Annex I). The comments told the helpfulness of the CCSS to the public.

5. Case Study

Case 1:

The dispute in this case was related to the usage of the roaming day pass plan (the “Plan”) provided by a CCSS Member to its customer.

The customer was of the view that the Plan allowed him unlimited roaming data usage in overseas at a fixed daily charge. However, the customer found that there were daily charges being billed more than once on a single day, and there were additional roaming data charges being billed based on actual usage.

During the mediation meeting, the CCSS Member explained to the customer that the daily charge of the Plan was applicable to one overseas country only. If the customer visited and used data service in more than one overseas country within the same day, there would be multiple charges accordingly. Furthermore, if the overseas country was not covered by the Plan, then roaming data charge would apply based on actual usage. In this connection, the CCSS Member explained to the customer the terms of the Plan which were published on the CCSS Member’s website.

In the meeting, the mediator facilitated both parties to list their concerned issues, find out the common grounds and interests, create possible resolution options, undergo a give-and-take process of the negotiation. Finally, both parties have successfully reached the settlement agreement regarding the resolution of the deadlock billing dispute.

Case 2:

The dispute in this case was related to the roaming charges incurred after the customer had reported loss of his mobile phone to the CCSS Member when he was travelling in overseas.

Once the customer found that his mobile phone had been stolen while he was travelling in overseas, he reported the matter to the CCSS member via the CCSS member's website. According to the CCSS member, it had tried to contact the customer to verify his identity information and upsurge roaming usage but failed.

Later, the customer received a bill high roaming charges generated during the phone stolen period. The customer considered that he should not be responsible for the roaming charges since he had already reported the lost of phone to the CCSS member.

In the mediation meeting, the CCSS member explained to the customer that customer's identity verification was required in a valid phone lost report to ensure that the report was made by an authorized person. On the other hand, the customer expressed the view that when abnormal roaming traffic upsurge was detected after exceeding a certain amount, CCSS member should monitor and suspend the service accordingly, rather than waiting for the lost report identification.

During the meeting, the mediator facilitated both parties to list their concerned issues and find out the common grounds and interests. The mediator led both parties to better understand the main concerns of the other side and be aware of their own drawbacks. With the assistance of the mediator, both parties were able to communicate their concerns more effectively and more readily to adopt the "give-and-take", "think-out-of-boxes" and "customer-care" attitudes for exploring various settlement options, rather than focusing only on the billing dispute. In the end of the mediation process, both parties have successfully reached the settlement agreement to the satisfaction of both parties.

6. Audited Financial Statement

In the first trial year, the Centre was granted sponsorship from OFCA including HK\$145,209 for the set up of the Centre and HK\$1,399,188 for the operation of CCSS.

The total Income and Expenditure for the first trial year were HK\$1,549,902 and HK\$1,348,977 respectively. The total income included the above sponsorship from OFCA, service fees for cases handled under the CCSS and the bank interest. Under these circumstances, the net surplus for the period was HK\$200,925.

Please refer to the audited report of CCSS which had been approved by the Governing Committee and submitted to OFCA together with this Annual Report.

- End of the Report -

Special comments provided by the customers

Annex I

Comment 1

The comment from the customer told how the mediator as well as the establishment of the CCSS platform by OFCA can help telecom users like her.

其他意見及建議:

今次非常感謝 Ms. Liao 作為調解員去處理事件, Ms. Liao 是一位很難得用心去做事和對人的人, 整件事的安排和分析很有見地, 亦很慶幸 CCSS 這個機構的存在, 幫到一般像我的市民去申訴不公平的事。

最後仍然要再感謝多一次 Ms. Liao 的處事公正及細心, 令事件得到完滿的解決!

如果未來 CCSS 有任何需要義務工作的事, 請聯絡本人, 本人定必加以協助。

Comment 2

The customer was satisfied with the performance of the mediator.

其他意見及建議:

非常滿意 Paul Ho 於調解中的表現。