

Customer Complaint Settlement Scheme

For the 2nd Trial Year

from 1 November 2013 to 31 October 2014

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1. Introduction

The Customer Complaint Settlement Scheme (“CCSS”) was launched on 1 November 2012 for a trial period of two years to help resolve billing disputes in deadlock between the telecommunications service providers and their residential/personal customers by means of mediation. A CCSS Mediation Service Centre (the “Centre”) was set up under the Communications Association of Hong Kong (“CAHK”) to manage and operate the scheme.

The telecommunications industry has shown great support to the CCSS. All major telecommunications service providers have participated in the scheme as CCSS Members as below:

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 Mobile Limited (formerly CSL Limited)
Hong Kong Broadband Network Limited	Hong Kong Telecommunications (HKT) Limited (including PCCW Mobile HK Limited)
Hutchison Global Communications Limited	Hutchison Telephone Company Limited
i-CABLE	IMC Networks Limited
Sun Mobile Limited (formerly New World Mobility Limited)	New World Telecommunications Limited
SmarTone Mobile Communications Limited	Wharf T&T Limited

Customers who have billing disputes for an amount not less than HK\$300 with the CCSS Members and a deadlock is reached (meaning that the CCSS Members have notified the customers that the billing disputes cannot be settled or the disputes remain unsettled for 6 weeks or more) may choose to use the mediation service provided by the CCSS. To make use of the mediation service of the CCSS, customers should first contact the Office of the Communications Authority (“OFCA”), which would assess the merit of the cases and refer eligible cases to the Centre for further processing.

Apart from screening the applications, OFCA has continued to sponsor the operation of the CCSS, through a Memorandum of Understanding (“MoU”) signed between OFCA and CAHK, by contributing the necessary funding and playing an active role in monitoring the performance and the governance of the scheme, and providing other administrative support.

The two-year trial period has come to an end on 31 October 2014. The trial scheme will continue to run for a transitional period pending a review by OFCA and the telecommunications industry on the effectiveness of the CCSS in deciding the way forward.

2. Organisation Structure, Governance and Operation of the Centre

The Centre comprises the Governing Committee and the 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

Mr. Alex Tam – Member

Mr. Tony Hau – Member (until 14 May 2014)

Mr. K T Wong – Member (appointed on 14 May 2014)

OPERATING TEAM

Ms. Kathlin Liao – Executive and full-time mediator

Mr. Gilbert Chan – Part-time mediator

Mr. Paul Ho – Part-time mediator (until 5 June 2014)

Mr. Jason Wong – Part-time mediator

Mr. Alex Wong – Part-time mediator

Ms. Eunice Wong – Part-time mediator

SECRETARIAT

Ms. Kammy Cheng – Administrative Officer

2.2 Governing Committee

The Governing Committee consists of a Chairman and two members appointed by CAHK and they are all independent from the telecommunications service providers. Their roles and responsibilities are set out in Schedule 2 of the MoU.

During the second trial year, CAHK, CCSS Members, OFCA and the Governing

Committee conducted meetings to review the management and operation of the CCSS. The chronology of the meetings and major events held for CCSS are tabulated below.

Date	Venue	Nature	Attendance
13 Nov 13	The Centre	11 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
19 Dec 13	Lincoln House	12 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
11 Feb 14	The Centre	13 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
18 Feb 14	OFCA	CCSS Annual Review Meeting	Representatives from OFCA, CAHK and CCSS Members
26 Mar 14	The Centre	14 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
29 Apr 14	The Centre	15 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
5 Jun 14	The Centre	4 th Governing Committee Meeting on CCSS	Representatives from CAHK and CCSS Governing Committee Members
25 Jun 14	The Centre	16 th EXCO Meeting	Representatives from CAHK and CCSS Governing Committee Members
30 Jul 14	The Centre	1 st EXCO Meeting 2014-2016	Representatives from CAHK and CCSS Governing Committee Members
28 Aug 14	OFCA	5 th Governing Committee Meeting on CCSS	Representatives from OFCA, CAHK and CCSS Governing Committee Members
28 Aug 14	HKUST Business School Central	2 nd EXCO Meeting 2014-2016	Representatives from CAHK and CCSS Governing Committee Members

Date	Venue	Nature	Attendance
25 Sep 14	Lincoln House	3 rd EXCO Meeting 2014-2016	Representatives from CAHK and CCSS Governing Committee Members
17 Oct 14	N101, HK Convention & Exhibition Centre	4 th EXCO Meeting 2014-2016	Representatives from CAHK and CCSS Governing Committee Members

2.3 Operating Team

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

The members of the Operating Team are appointed in their individual capacity and they are independent from any CCSS Members. In addition, mediators in the Operating Team are equipped with adequate knowledge of the telecommunications industry 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 the mediation meeting as a panel mediator whenever necessary.

To ensure effective operation of the CCSS that meets the governance requirements as set out in Schedule 2 of the MoU, the Operating Team has continued to maintain 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 has continued to follow 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	- The Centre contacts the customer as referred by OFCA and sends a email to the customer within 4 working days to collect the consent form, application form, application fee and the other relevant documents
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	- The customer is requested to submit all the necessary documents to the Centre within 10 working days. On the 9 th working day, a reminder is sent to the customer who has failed to submit the required documents
Step 2	- Within 4 working days after the submission of all the necessary documents by the consumer, the Centre will verify the documents to ensure all the documents are in order
Step 3	- The Centre forwards the customer application form and other documents to the related CCSS Member
Step 4	- The CCSS Member is required to submit the reply form to the Centre within 14 working days. On the 12 th working day, the Centre sends a reminder to the CCSS Member in case the reply form is not received from the CCSS Member. There is a grace period of 5 working days following the 14 working days. If the CCSS Member fails to submit all the documents after the 5 working days grace period, the Administrative Officer will notify the Executive & the Governing Committee to liaise with the CCSS Member - If the case is settled between the customer and the CCSS Member before mediation is conducted, the CCSS Member and the customer shall send the settlement confirmation to the Centre for record and the case is closed
Step 5	- After all the required documents from the CCSS Member and the customer are received, the Centre arranges the mediation meeting for the two parties. Mediation is to be conducted and completed within 14 working days after the Centre receives the reply form from the CCSS Member

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

The Operating Team kept the filing of all the original copies of the documents in a locked cabinet for the sake of confidentiality. Soft copies were 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 conducted random checking on a monthly basis to ensure the information of the designated channels of the CCSS Members was updated on their websites for enquiry by customers. The Operating Team also called the designated channels to test the awareness of the frontline staff of the CCSS Members on the CCSS.

The Operating Team discussed 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 collected 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 updated 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 publications were posted on the CCSS website for public browsing :

南華早報: The city's mediators help avoid lengthy and costly court battles

Oriental Daily News: 電訊帳單爭拗- 藉調解、達雙贏

The Sun: 調解「震撼帳單」息爭拗

Online Version Oriental Daily News: 手機帳單爭議 通訊辦調解或搞得掂 | 觀看影片 - 新聞 香港

Online Version The Sun: 調解「震撼帳單」息爭拗

Hong Kong Economic Times: 電訊和事老 調解震撼帳單爭議

Online Version Hong Kong Economic Times: 電訊和事老 調解震撼帳單爭議 換電話耗數據 長者未為意

Online Version Hong Kong Economic Times: 聆聽+諒解 讓步達共識

Online Version Hong Kong Economic Times: 同理心親和力 調解員必備

Sing Tao Daily: 電訊業「解決顧客投訴計劃」

<http://ccss.cahk.hk/zh/publication.html>

CCSS Audit Report

<http://ccss.cahk.hk/zh/pdf/%28CCSS%20Website%29%20CCSS%20Audit%20Report%20for%20the%20Period%20Oct%202012-Oct%202013.pdf>

Annual Report

<http://ccss.cahk.hk/zh/pdf/%28CCSS%20Website%29%20CCSS%20Annual%20Report%20for%20the%2001st%20Trial%20Year.pdf>

Governing Committee member information update

<http://ccss.cahk.hk/zh/about.html>

Addendum to the MoU

<http://ccss.cahk.hk/en/pdf/Addendum%20to%20the%20MoU%20%2815%20Sep%202014%29.pdf>

3. Promotion and Publicity for the CCSS

In the second trial year, OFCA and CAHK continuously promoted the CCSS to enhance public awareness and usage of the scheme. The promotion and publicity events by OFCA and CAHK to promote the CCSS were highlighted as below:-

Date	Channels	Particulars
16 Mar 14	Oriental Daily and Sun Daily	Press reports on CCSS
20 & 21 Mar 14	Hong Kong Convention and Exhibition Centre	CCSS Leaflets were distributed to the participants of the seminars of Mediation Week 2014 organised by Department of Justice
Apr 14	Consumer Council	CCSS icon and link to CCSS webpage were added on Consumer Council's website
24 Apr 14	Hong Kong Economic Times	Press report on CCSS
May 14	GovHK	CCSS banner and link to CCSS webpage were added on GovHK's website
14 Jun 14	Sing Tao Daily	Press report on CCSS
14 Aug 14	SAGE (耆康老人福利會) Kwai Chung	Talk for the elderly was organized by OFCA, CCSS was one of the topics in the talk

Date	Channels	Particulars
	Elderly Centre	
30 Aug 14 & 5 Sep 14	Space Museum & Duke of Windsor Social Service Building	Public seminars were organized by OFCA, CCSS was one of the topics in the seminars
4 Sep 14	Headline Daily	Newspaper advertorial on CCSS
20-21 Sep 14 & 18-19 Oct 14	Kowloon Park & Sheung Tak Plaza	Roving exhibitions were organized by OFCA, CCSS was one of the topics in the exhibitions

4. Statistics

In the second trial year, OFCA received 251 cases which were within the scope of the CCSS. Among them, 84 cases were satisfactorily settled before referral to the Centre and the remaining 167 cases were referred to the Centre for provision of mediation service. The total number of eligible cases and referred cases in the second year trial has increased by 137% and 439%, respectively, as compared to those of the previous year.

	No. of eligible cases		
	1 st Trial Year	2 nd Trial Year	% change
Cases settled before referral to the Centre	75	84	+12%
Cases referred to the Centre	31	167	+439%
Total number of eligible cases	106	251	+137%

As of 31 December 2014, among the 167 referred cases, 165 cases were satisfactorily settled, 1 case could not be finalised and the remaining 1 case was under processing.

	No. of cases referred to the Centre
Cases settled/ closed <u>before</u> mediation	62
Cases settled <u>after</u> mediation	103
Cases not settled after mediation	1
Cases under process	1
Total number of referred cases	167

Among the 167 cases referred to the Centre, over 92% of the cases were related to disputes of data or voice roaming charges caused by the change of phones, misunderstanding in relation to roaming charges or the tariff adjustment after contract expiry. Some were related to the disputes of SMS charging caused by volume SMS broadcasting and SMS alert service.

5. Performance Assessment

5.1 Key performance indicators (“KPIs”)

KPIs were in place to keep track of the performance of the Centre. The overall achievement of the Centre in the second trial year was shown as below :

KPIs	Target	Achievement
% 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 CCSS Members Reply Form within 14 working days	100%	100%
% of cases with conducting Mediation and providing the Settlement Proposal within 14 working days of receipt of CCSS Member Reply Form	75%	98%
% of cases processed within 2 months from date of referral from OFCA to completion of Mediation.	75%	97%
% of case where the Governing Committee completed the investigation of complaints against the Operating Team within 2mths from receiving the complaints	75%	N/A*
% 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%	99%
Average score of the user satisfaction survey	3	4.7

* No complaint was received during the trial period.

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.

5.2 Users' Feedbacks

The average scores of the feedback received from the completed mediation cases during the second trial year 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	4.7	4.7
2	The Centre staff have consulted me on a timing and method for conducting mediation that suited my needs	4.6	4.7
3	The Centre staff were responsive to my enquiries	4.7	4.7
4	The Centre staff were helpful and courteous to me	4.8	4.8
5	The mediator was able to facilitate the negotiation between me and the other party	4.6	4.7
6	The charge on using the CCSS service (HK\$100) was reasonable	4.4	N/A
7	The time taken for resolving the dispute via the CCSS was reasonable	4.5	4.7
8	The CCSS was effective in resolving the billing disputes in deadlock	4.5	4.6
9	The overall arrangement of the CCSS was satisfactory	4.6	4.7
	Average total score:	4.6	4.7

Many users shared their valuable comments in the users' satisfaction survey after completion of the case. The comments are listed in Annex I.

6. Case Study

Case 1:

The dispute was related to the roaming data charge. In this case, the roaming data usage was incurred by a child, who without seeking the consent from the parent customer, had used the mobile phone to play games via internet for a few minutes when they were travelling abroad. The parent customer received a huge mobile bill but he considered that his child did not consume much data services and that there was a lack of roaming charge information published by the concerned CCSS Member. The parent customer complained that if he were aware of the high roaming charges, he would have paid special attention to such usage and the billing dispute on the roaming data charges could have been avoided.

At the mediation meeting, the mediator facilitated both parties to list their concerned issues and help finding out the critical point and possible resolution options of the negotiation. Finally, both parties have successfully reached the settlement agreement on the billing dispute in deadlock.

Case 2:

In this case, the customer bought a local calling card when she was travelling abroad. The customer used her Hong Kong mobile phone to dial the local number shown on the calling card in order to enjoy low IDD rate for calling back to Hong Kong. However, the customer was ended up with some overseas roaming charges billed by the relevant CCSS Member.

At the mediation meeting, the mediator and the relevant CCSS Member explained to the customer that overseas roaming charges would still apply whenever a mobile phone with a Hong Kong SIM card was used in overseas to make international calls. After clarifying the technical issues for making calls with a local calling card at overseas and the calculation of the relevant charges, a settlement agreement to the satisfaction of both parties was successfully concluded.

7. Audited Financial Statement

In the second trial year, the Centre was granted sponsorship of HK\$1,348,998 from OFCA for the operation of CCSS.

The total Income and Expenditure for the second trial year were HK\$1,382,702 and HK\$1,423,087 respectively. The total income included the above sponsorship, service fees for cases handled under the CCSS and the bank interest. Under these circumstances, the deficit for the period was HK\$40,385.

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 -

Annex I

Comments provided by the users of the CCSS

Here below are some of the valuable comments received from the users of the CCSS during the second trial year. The users have shown appreciation and satisfaction for the mediation service provided by the CCSS.

調解服務中心的職員能幫助我得到一個機會直接與電訊商一起磋商以解決問題，而她們亦能(幫)助告知有關問題的所在，不但能解決問題，並能維持相方關係，使此次調解十分成功。
Good and professional process.
非常滿意這個調解服務，本人認為應該多加宣傳，讓多些大眾人仕知道這個服務，作出申訴! 例如可以在電視、收音機上宣傳，本人是在互聯網討論區很困難才知道有這服務的!面對面的調解可以解決很多電話上不必要的誤會，可以更快得到解決。
首次使用服務，其實已見到很成熟既表現同質素，最主要中心給多到一個「下台位」予雙方去達成協議，希望政府可以加大力度推廣以及提供更多支援多調解中心。
Thank you kindly for the mediation process which was handled very professionally and efficiently. The HK Government ought to set aside funding to make this valuable service known to its citizens through TV/magazine/poster ads. The Government should make it compulsory for service providers to include info on CCSS's services to its clients. I can foresee a more positive and cooperative effort from service providers and customers when we have an independent party to keep everyone in check.
對香港通訊業聯會的電訊業調解服務中心所提供的專業調解服務十分滿意。廖小姐的專業調解服務及知識對本人的投訴幫助很大。 本人十分希望政府能夠繼續支持電訊業調解服務中心的運作，對社會上消費者提供一個良好的調解平台。
調解員有禮親切，能有效推展會議流程亦能有效對雙方作出調解。
工作有意義，解決到問題，對安排非常滿意。
過程簡單，有效率，能幫助解決事情。