

Customer Complaint Settlement Scheme

**For the period
from 1 May 2017 to 30 April 2018**

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1. Introduction

The voluntary 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 Centre (Telecom) (the “Centre”) was set up under the Communications Association of Hong Kong (“CAHK”) to manage and operate the scheme.

Having regard to the encouraging outcome of the trial, the proven demand and positive feedback from customers and the participating service providers, the CCSS was implemented on a long-term basis starting from 1 May 2015.

The scheme received continuous support from the industry that all major telecommunications service providers and active mobile virtual network operators have participated in the scheme. The list of the CCSS Members as at 30 April 2018 is shown as follows:

China Mobile Hong Kong Company Limited	China Unicom (Hong Kong) Operations Limited
China-Hong Kong Telecom Limited	CITIC Telecom International Limited
CSL Mobile Limited	HGC Global Communications Limited
HKBN Enterprise Solutions Limited	Hong Kong Broadband Network Limited
Hong Kong Telecommunications (HKT) Limited	Hutchison Telephone Company Limited
i-CABLE	IMC Networks Limited
Multibyte Info Technology Limited	SmarTone Mobile Communications Limited
Sun Mobile Limited	WTT HK 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 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 also sponsors the operation of the CCSS, through the 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.

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

- Mr. Alex WY Tam – Chairman
- Dr. Xu Yan – Member (until 22 May 2017)
- Mr. Vincent WC Kwok – Member (until 14 March 2018)¹
- Mr. Alex KH Wong – Member (appointed on 23 June 2017)

OPERATING TEAM

- Ms. Kammy SC Cheng – Assistant Manager
- Mr. Gilbert KS Chan – Part-time mediator
- Ms. Eunice SY Chen – Part-time mediator
- Mr. Alex PF Wong – Part-time mediator
- Mr. Jason WK Wong – Part-time mediator

SECRETARIAT

- Ms. Agnes HC Lai – 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 any CCSS Members. Their roles and responsibilities are set out in Schedule 2 of the MoU.

¹ As of 30 April 2018, the replacement for the Governing Committee Member was being arranged.

During the 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	Nature	Attendance
11 May 2017	EXCO Meeting 2016-2018	Operating Team EXCO Members of CAHK
23 Jun 2017	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
4 Jul 2017	Governing Committee Meeting	Operating Team; Governing Committee; OFCA
21 Jul 2017	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
30 Aug 2017	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
20 Oct 2017	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
24 Oct 2017	Governing Committee Meeting	Operating Team; Governing Committee; OFCA
21 Nov 2017	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
17 Jan 2018	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK

Date	Nature	Attendance
24 Jan 2018	Governing Committee Meeting	Operating Team; Governing Committee; OFCA
14 Mar 2018	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
17 Apr 2018	EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK

2.3 Operating Team

The Operating Team comprises administrative staff and a number of part-time mediators.

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 Assistant Manager of the Centre oversees the day to day operation of CCSS and the assignment of cases to mediators for mediations.

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	<ul style="list-style-type: none"> - The Centre contacts the customer as referred by OFCA and sends an email to the customer within 4 working days to collect the consent form, application form, application fee and the other relevant documents - The customer is requested to submit all the necessary documents to the Centre within 10 working days. On the 8th working day, a reminder is sent to the customer in case the required documents are not received from the customer
Step 2	<ul style="list-style-type: none"> - Within 4 working days after the submission of all the necessary documents by the customer, the Centre will verify the documents to ensure all the documents are in order
Step 3	<ul style="list-style-type: none"> - The Centre forwards the customer application form and other documents to the related CCSS Member
Step 4	<ul style="list-style-type: none"> - The CCSS Member is required to submit the reply form to the Centre within 14 working days. On the 12th 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	<ul style="list-style-type: none"> - 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
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The Operating Team monitored the progress of cases and sent reminders to scheme users before the submission deadlines.

The Operating Team complied with the Supplementary Guidelines on Fund Administration to ensure proper use of trading funds. All documents in relation to complaints are stored in locked cabinets for the sake of confidentiality.

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 has also collaborated with CCSS Members in distributing CCSS leaflets at their respective channels.

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 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 Operating 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:

<p>Publications</p> <p>http://ccss.cahk.hk/zh/publication.html</p>
<p>CCSS Audited Financial Statements</p> <p>http://ccss.cahk.hk/en/pdf/CCSS%20Audit%20Report%202016-2017%20(Final).pdf</p> <p>Annual Report</p> <p>http://ccss.cahk.hk/en/pdf/CCSS%20Annual%20Report%202016-2017%20(Clean).pdf</p>
<p>Designated channels information</p> <p>http://ccss.cahk.hk/en/ccss-members.html</p> <p>Application for CCSS Membership</p> <p>http://ccss.cahk.hk/en/pdf/Guidelines%20on%20CCSS%20Member%20Application%2020160718.pdf</p> <p>http://ccss.cahk.hk/en/pdf/CCSS%20Member%20Application%20Form%2020160707.pdf</p>
<p>The Memorandum of Understanding (MoU)</p> <p>http://ccss.cahk.hk/pdf/CCSS%20MoU%2020160706%20(Clean%20for%20Publish%20Online)%20(Final).pdf</p>
<p>The Schedule 1-4 to the MoU</p> <p>http://ccss.cahk.hk/en/about.html</p>

3. Promotion and Publicity for the CCSS

During the year, different measures were taken to enhance the public awareness and usage of the scheme. In particular, OFCA had launched a series of publicity campaign to promote the CCSS through newspaper, social media, website banners advertisements and Internet search engine, public seminars and roving exhibitions. The Centre had also introduced the CCSS to all District Councillors as an alternative channel in handling telecommunications billing disputes.



The promotion and publicity campaigns and events conducted by OFCA and the Centre to promote the CCSS were highlighted as below:-

Date	Channels	Particulars
May 2017 - Sep 2017	Facebook	Facebook featured posts
May 2017 - Nov 2017	Google	Google keyword search advertisements
June 2017 – Oct 2017	Various websites	Website banners advertisements
Sep 2017 - Mar 2018	At various shopping centres and Kowloon Park	CCSS information was included in the panel display at the OFCA roving exhibitions
Sep 2017 - Dec 2017	At various museums, Hong Kong Central Library and Hong Kong Productivity Council	CCSS information was mentioned at OFCA's public seminars
28 Dec 2017	Headline Daily	CCSS comic strip advertisement

4. Statistics

A total of 79 eligible cases were received by OFCA during the year. Among them, 41 cases were satisfactorily settled before referral to the Centre and the remaining 38 cases were referred to the Centre.

	No. of eligible cases
Cases settled before referral to the Centre	41
Cases referred to the Centre	38
Total number of eligible cases	79

Among the 38 cases referred to the Centre, 35 were satisfactorily settled and 3 cases were not settled.

	No. of cases referred to the Centre
Cases settled/closed before mediation	12
Cases settled after mediation	23
Case not settled after mediation	3
Total number of referred cases	38

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 during the year was shown as below:

KPIs	Target	Achievement
% of cases which customers were first contacted within 4 working days from the date of referral from OFCA	100%	100%
% of cases which reminders were issued to the CCSS Members to return the CCSS Members Reply Form within 14 working days	100%	100%
% of cases which mediation was conducted within 14 working days of receipt of CCSS Member Reply Form	75%	92.3%

KPIs	Target	Achievement
% of cases which were processed within 2 months from date of referral from OFCA to completion of Mediation.	75%	96.2%
% of case which the Governing Committee completed the investigation of complaints against the Operating Team within 2 months from receiving the complaints	75%	N/A*
% of quarterly statistics submitted to OFCA within 10 working days after the end of each quarter	100%	91.7%
% 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	30%	92.1%
Average score of the user satisfaction survey (5 as the highest)	3	4.6

* No complaint was received during the period.

During the year, the Centre has achieved most of the targets in following the procedures and processes set out under Schedules 2 and 3 of the MoU.

5.2 Users' Feedbacks

The average scores of the feedback received from the completed mediation cases during the 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	4.8
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	4.8	4.6
4	The Centre staff were helpful and courteous to me	4.7	4.8
5	The mediator was able to facilitate the negotiation between me and the other party	4.5	4.6

Average score (5 as the highest)		Customers	CCSS Members
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	4.3	4.6
8	The CCSS was effective in resolving the billing disputes in deadlock	4.3	4.5
9	The overall arrangement of the CCSS was satisfactory	4.4	4.7
Average total score:		4.5	4.7

6. Case Study

Case 1:

The customer was on a cruise trip in North America. While embarking onto the cruise ship, the customer received an SMS message from her mobile service provider promoting roaming day pass (“Day Pass”) which allowed unlimited roaming data usage at a fixed daily charge. Based on the SMS, the customer considered that the service charge was acceptable and subscribed to the Day Pass. However, when she started using the roaming data service during her cruise trip, she received messages notifying her that an unexpectedly high roaming data charge had been incurred. She found that she was charged based on her actual usage rather than the fixed daily charge under the Day Pass. Later she complained to her mobile service provider but the dispute went in deadlock. The customer therefore sought help from the CCSS.

During the mediation meeting, the customer came to understand that although the Day Pass indeed offered unlimited roaming data usage at a fixed charge for the country where she had embarked on the cruise ship, she during the cruise trip was actually using the satellite service, i.e. the maritime data roaming service, which was not covered by the Day Pass. Having understood the root cause of the dispute, the customer had reached an agreement with her mobile service provider to resolve the billing dispute and the case was successfully settled.

Case 2

The customer was a frequent traveller and had subscribed to a global data roaming plan which offered unlimited data roaming service at a fixed monthly charge (“Global Plan”). When he visited a Southeast Asia country, his data roaming service was suddenly terminated without notice. He also found that he was charged by his mobile service provider with a high data roaming charge despite of his subscription of the Global Plan. The customer sought help from the CCSS.

During the mediation meeting, the customer came to understand that the Global Plan actually did not cover all countries. Having understood the cause of the incident, the customer acknowledged that he had the responsibility to check the details of the Global Plan. In the end, a settlement agreement was reached between the parties.

7. Audited Financial Statement

During the year, the Centre was granted sponsorship of HK\$855,358 from OFCA for the operation of CCSS.

The total Income and Expenditure for the year was HK\$864,266 and HK\$1,043,823 respectively. The total income included the above sponsorship, service fees for cases handled under the CCSS and bank interest. Under these circumstances, the deficit for the period was HK\$179,557.

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 –