



Commission for
Communications Regulation

Information Notice

CPS Code of Practice Breach

Tele2 sales activity

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1 Introduction

Carrier Pre-Selection (CPS) enables consumers to exercise their choice by selecting in advance a specific operator to carry some or all of their telephone calls.

CPS is a vital part of the Irish fixed telecommunications market. It allows for the possibility of competition in the fixed market by new and existing operators without the barrier to entry of large capital investment in extensive infrastructure.

The Code of Practice for CPS sets out the rules and procedures which operators wishing to offer CPS services in the Republic of Ireland must follow. It covers customer contracts, use of customer information, order-handling process, promotion of CPS, bill payment, tariff presentation, complaint and enquiry handling and the activities of the telecommunications service providers to “win back” lost customers. All undertakings providing CPS and eircom are bound by the CPS Code of Practice¹.

ComReg conducts investigations on an ongoing basis into adherence to the CPS Code of Practice in response to issues raised by operators and consumers alike.

ComReg may notify an operator that it is in breach of its obligations and require the operator to remedy such breach within a specified time. Further, ComReg may publish the particulars of such notification. This Information Notice contains details of a complaint made against Tele2 and the findings, of ComReg, in respect of a breach by Tele2 of an obligation under the CPS Code of Practice.

The legislative basis for the investigation of the complaint and publication of this Information Notice by ComReg is set out in Appendix A.

¹ See Appendix A

2 Complaints

ComReg received a complaint on 14 December 2004 concerning Tele2's telesales activity. The complaint alleged the following:

- It was alleged that there were three cases where Tele2 sales representatives had made sales calls to residential customers and during the course of the calls the Tele2 sales representatives had made misleading and therefore inaccurate statements.

3 Finding

On foot of these complaints, ComReg conducted an investigation and following its investigation, ComReg found that;

- In each of the three cases, statements were made that were inaccurate and therefore misleading about another operators service. ComReg finds this to be in breach of clause 4.1 of the CPS code of Practice.

Clause 4.1 of the CPS Code of Practice states that “an operator must not release misleading or derogatory information about another operator’s service”. ComReg found from its investigation that Tele2 had not complied with clause 4.1 of the Code of Practice and consequently, Tele2 was in breach of its obligation to be bound by the CPS Code of Practice.

ComReg sought information from Tele2 regarding the telesales activity on 17 December 2004. Tele2 responded in writing on 11 January 2005. In two of the cases Tele2 was unable to provide sufficient evidence to refute the allegation. In the third case Tele2 admitted that unauthorised and unscripted statements were made during the call.

4 Next Steps

ComReg notes that Tele2 has taken immediate disciplinary action in relation to the third case mentioned above. Tele2 has implemented a quality improvement plan and in doing so has retained the services of a Telesales training and management consultant who will advise Tele2 management on quality processes and procedures to support its operations in the Irish market. In addition, Tele2 has recruited a full-time senior manager to maintain, review and to improve standards and expectations of its Telesales and TPV contractors. ComReg welcomes these initiatives.

ComReg continues to proactively monitor compliance by Tele2 and all undertakings providing CPS with the CPS Code of Practice and to investigate complaints made by operators and consumers.

Appendix A

On 24 September 2003, ComReg issued a direction, (Direction 2 in Decision Notice D20/03) in exercise of its powers pursuant to Regulation 31 of the EC (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations, 2003 (the "Universal Service Regulations") which directed, inter alia, that "all undertakings providing CPS and eircom are bound by the CPS Code of Practice." Therefore, compliance with the CPS Code of Practice has become an obligation under the Universal Service Regulations.

ComReg is obliged, under Regulation 32(1) of the Universal Service Regulations, to monitor compliance with the Universal Service Regulations.

Pursuant to Regulation 32(2) of the Universal Service Regulations, where ComReg finds that a person has not complied with a direction under Regulation 31 of the Universal Service Regulations, ComReg shall notify the person of those findings and give the person an opportunity to state his or her views or remedy any non-compliance.

Regulation 32(3) of the Universal Service Regulations provides that ComReg may publish, in such manner as it thinks fit, any notification given by it under this Regulation subject to the protection of the confidentiality of any information which the Regulator considers confidential. In publishing this information notice, ComReg is exercising its power under Regulation 32(3) of the Universal Service Regulations.

In publishing this Information Notice, ComReg has taken account of its statutory objectives which are set out in Section 12 of the Communications Regulation Act 2002.