

# CONSUMERS COUNCIL OF CANADA

Before the Canadian Radio-television and  
Telecommunications Commission

Broadcasting and Telecom Notice of Consultation  
CRTC 2018-246, 2018-246-1

Report regarding the retail sales practices of  
Canadas large telecommunications carriers (LTCs)

## **Testimony**

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## I Introduction

- 6 Regarding the Broadcast and Telecom Notice of Consultation CRTC 2018-246, 2018-246-1 Report regarding the retail sales practices of Canada's large telecommunication carriers. This testimony of the Consumers Council of Canada comments on interventions at August 30, 2018, and replies at September 14, 2018. The Consumers Council is a not-for-profit organization that supports an improved marketplace, focusing its advocacy on the rights and responsibilities of consumers.
- 7 Our comments relate primarily to the October 15, 2018 Ipsos Public Affairs Public Opinion Research and the Rogers, Telus, and Bell interventions and replies.

## II The Ipsos Public Affairs Public Opinion Research

- 8 Surveys, done thoughtfully with appropriate methodology can be very instructive. In their reply Telus criticized, for various reasons, the methodologies of the surveys of Consumers Council of Canada, ACORN, Aging Communication Technologies and OpenMedia, and then completely dismissed their findings. Rather than take issue with Telus' criticisms, which is not without merit, we choose to focus on new evidence gathered through methodological methods able to support broadly generalizable conclusions. As Telus noted:

*"In general, surveys presented in this proceeding fail to use accepted survey methodologies that permit broadly generalizable conclusions. Among other flaws, the surveys before the Commission suffer from a very small sample size, narrow distribution, and a strong selection bias." (Telus, p6)*

- 9 Telus also indicates the surveys had other flaws. We would ask if they would provide those specific flaws in a follow-up, along with their own criteria/requirements for proper methodological efforts, if only for use in future proceedings.
- 10 Following is an evaluation of the Ipsos POR methodology against Telus' methodology concerns. We took the liberty of adding other items from the Ipsos POR methodology:
- *Adequate sample size:*
    - i. *(YES - it had a 95% confidence level both at the top line and within some sub-groups.)*
  - *Broad Enough Distribution:*

*i. (YES it was Canada wide, encompassing significant customers of each LTC)*

- *No selection bias*

- i. (it ensured an adequate representation of age, gender, and region based on the 2016 Census)*

- *Inclusion of qualitative research?*

- i. (YES, to address a specific question asked of a narrower group of Canadian, specifically those vulnerable*

- *Comparison survey*

- i. It compared results to a voluntary public survey allowing for informative comparisons.*

11 Given that Telus, Bell and Rogers have previously relied upon the services of Ipsos, we can reasonably assume that they respect the professionalism, independence and capabilities of IPSOS Reid and their work.<sup>1, 2, 3</sup>

12 The findings of the Ipsos POR differ significantly from the claims of the LTCs in these proceedings. It begs the question: Given the use of an appropriate methodology applied by a reputable and capable organization how can these highly critical, statistically valid findings of the Ipsos POR vary so widely from the anecdotal and often unsupported claims of the LTCs, which are essentially “Move on, nothing to see here.”?

13 While most of the Ipsos POR findings are disconcerting, though unsurprising, some warrant special consideration.

14 Firstly: 24 % of Canadians “indicate they have personally experienced sales practices they would consider aggressive or misleading from telecommunications providers in Canada.” in the past year. (IPSOS, p19) While this does not indicate the issues are systemic, it does indicate they are big. It warrants further substantive investigation, and not just an

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<sup>1</sup> <https://business.financialpost.com/technology/big-three-telecom-companies-say-theyre-winning-the-customer-service-battle-but-are-they>

<sup>2</sup> <https://www.ipsos.com/en-ca/canadians-offer-their-opinions-voice-over-internet-protocol-voip-and-crtc-ruling>

<sup>3</sup> <https://connected.rogers.com/tech-and-gadgets/posts/what-connected-families-are-doing-online-629763>

acceptance of a blanket dismissal from those accused of such improper behaviour, as is indicated in their interventions and replies.

15 We won't cite volumes of individual statements of the LTCs here, but their collective position (with minor variations) may be summed up in a few sentences:

- *There is no industry-wide systemic misleading or aggressive sales practices.*
- *Any such practices are nominal, aberrations, negligible or non-existent, or related to one of the other LTCs.*
- *Any such complaints that arise are quickly cleared up if they are deemed reasonable concerns.*
- *Others are dated, and some are misclassified or misunderstandings.*
- *Furthermore, it can't happen given the processes, training and monitoring that have put in place.*

16 It is the Council's view that scant evidence has been provided to corroborate these findings of effect- certainly no evidence with the independence and methodological weight of the Ipsos POR.

17 Rogers, Bell and Telus hold the view that industry competition is adequate, and that its strong presence acts as a marketplace force quelling bad behaviour. Nevertheless, a large majority of Canadians are concerned about the lack of competition in the telecom marketplace and the negative effects it has on them:

*"... concern exists about the amount of competition in the sector (70% extremely/ very/ somewhat concerned) and qualitatively we learnt that Canadians feel they have limited choice of providers and that most major providers act in a similar fashion which compounds their ability to address these issues themselves." (IPSOS, p7)*

18 This highly polarized view is unhealthy for Canadians. Public concerns have abounded in recent years and both consumers and the LTCs would be in a better position were there to be a closer consensus or understanding on the matter.

19 The Ipsos POR found that almost half of those affected by misleading or aggressive sales practices did nothing further than talk to family and friends. 39% talked to their provider,

but fewer than 10% went to the CCTS. However, it is the qualitative research assessment noted below that concerns us:

*"The qualitative research highlighted a feeling of helplessness among many, who believe there is limited accountability amongst telecommunications providers and that they as consumers have little recourse beyond speaking to friends or family about their experiences." (IPSOS, p7)*

- 20 No organization that states they care for their consumers can reasonably leave their consumers in a position where they feel helpless, with most just venting with friends or family. This indicates a lack of appropriate complaint resolution and communication, an area that the LTC's indicate is improving. We have yet to hear consumers agree.

### III Rogers view of the CCTS

- 21 We remain somewhat puzzled by Rogers view regarding the inclusion of sales practices complaints with the CCTS. We ask for a clarification from Rogers. They appear to believe that all misleading and aggressive sales practices complaints typically do, or can, go to the CCTS. Telecom Decision CRTC 2007-130 clearly states that claims of false or misleading advertising is excluded from the responsibilities of the CCTS. If they are of the same understanding, then we submit that their statement below should be more appropriately contextualized.

*"There is simply no evidence on the record of this proceeding that some or all of the additional complaints received by the CCTS in the past year relate to misleading or aggressive sale practices." (Rogers, p6)*

- 22 Rogers quotes the CCTS intervention:

*"the main sales practice-related issue facing customers who have reached out to CCTS seems to be a mismatch between what the customer was expecting or informed when they subscribed to service and their subsequent experience with the service." (Rogers, p6)*

- 23 In our opinion this would arise only in a case where there is a contract. However, it is only logical to conclude that many misleading or aggressive sales practices would end in no sale, and therefore not be eligible to be moved to the CCTS.

## **IV Additional recommendations**

- 24 We have made specific recommendations in our prior submissions. We will not reiterate our previous recommendations, but will note additional recommendations resulting from our review of replies and the Ipsos POR.
- 25 With the same degree of independence, and appropriateness of methodology as the Ipsos POR, the LTCs should reconcile any discrepancy between their claims in these proceedings and relevant Ipsos POR findings. Where true gaps exist, a clear implementation plan for improvement should be put forward, with stated timing and metrics, and specific remedies or efforts to be made should those metrics not be met on time. The Commission should consider independent and significant monitoring and enforcement of such plans.
- 26 We understand, that currently, the LTC's record many, most, or all of their customer service and sales calls, ostensibly for training purposes. We recommend that customers be given an option to have the recording of any sales or customer service call sent directly to them. This is not unlike the provision of an online chat transcript. We include customer service calls in this recommendation, as evidence indicates that much unwanted selling is conducted on such calls.
- 27 Knowing that the customer may request this, may improve the bad behaviour reported by many consumers.
- 28 Furthermore, we would recommend that the CCTS be allowed access to such recordings, for any complaint that is submitted to them, especially if the new regime includes the responsibility for all sales complaints, not just those that relate to previously signed contracts, which exclude false or misleading advertising. We believe this procedure would protect both the customer, potential customer and the LTCs themselves, who want to be able to manage the few aberrant employees they admit to, as well as protect themselves against false claims that may be made against them by the customers.

## **V One final question for the LTCs**

- 29 With all these self-professed well thought out and well managed efforts and processes in place, how can you be so out of sync with what your customers are thinking?
- 30 Thank you