

16 July 2014

NZ Telecommunications Forum
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Attention: Liz Bell

By email: submissions@tcf.org.nz

**SUBMISSION on
Revised Mobile Messaging Code**

Thank you for the opportunity to make a submission. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

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1. Overview

- 1.1 Our comments on the revised Mobile Messaging Code (Code) focus on the following issues:
- (a) enabling customers to block premium services;
 - (b) exemptions from expenditure notifications;
 - (c) measures to allow customers to limit their spending on premium mobile services;
 - (d) time limits for unsubscribing dormant numbers from databases;
 - (e) warnings for chat service customers; and
 - (f) timeframes for complaints.

2. Blocking premium mobile messaging services

- 2.1 We note that there is nothing in the Code requiring Telecommunication Service Providers (TSPs) to give consumers the option of blocking premium mobile messaging services. In contrast, in Australia, regulations now require all service providers to give consumers the option of blocking these services.
- 2.2 We think consumers here should have the same option as those in Australia. The ability to block mobile premium services would provide parents and budget-

conscious individuals with better controls over their or their children's mobile phone costs.

3. Exemptions from expenditure notifications

- 3.1 Consumer NZ supports the use of expenditure notifications for premium mobile messaging services. However, we do not support the exemption contained in clause 9.6 of the Code.
- 3.2 Under clause 16.5 of the 2010 Code, aggregators could allow customers to opt out of the \$30 expenditure notification with permission of the TSP. However, clause 9.6 of the Code now allows aggregators to apply for exemptions from expenditure notification without consulting the customers if the cost of the messaging is included in reply messages. In our view, this does not provide sufficient protection for consumers.
- 3.3 We note there does not appear to be any equivalent exemption in the Australian Industry Code for Mobile Premium Services. We believe that the only circumstance in which an aggregator should be exempted from providing an expenditure notification is if the customer has specifically requested to opt out of these notifications and the TSP has agreed.

4. Measures to allow customers to limit their spending on premium mobile services

- 4.1 Under clause 4.1.10 of the Australian Industry Code for Mobile Premium Services, the TSP must provide details of the measures it has available to limit a customers' expenditure on mobile premium services and these must be published on the www.19sms.com.au website.
- 4.2 We believe that a similar clause would be useful under the New Zealand Code. That is, TSPs should be required to have measures that allow customers to limit their expenditure on premium mobile services. This should place no additional burden on TSPs as it is likely they can already do this.

5. Time limit for unsubscribing dormant numbers

- 5.1 Clauses 15.3 and 26.3 of the revised Code require content providers to remove or unsubscribe dormant or quarantined handset numbers from their databases. However, there is no timeframe for removal of the dormant numbers under these clauses.
- 5.2 Under the 2010 Code, the aggregator had five working days (from the date the relevant TSP issued the list) to remove dormant numbers. In our view, the five working day timeframe needs to be re-inserted into clauses 15.3 and 26.3 to provide greater certainty.

6. Warnings for chat service customers

- 6.1 Under clause 8.1.4 of the Code, warnings must be provided to new customers about the dangers of disclosing personal details in the virtual chat service and about the potential dangers of age-restricted services.
- 6.2 We believe these warnings should be provided each time a customer opts-in to a chat service, not just upon becoming a new Customer. Extending these warnings to all customers would make these provisions of the Code consistent with the wording of the Australian code.

7. Timeframes for complaints

- 7.1 The revised Code states that complaints are only valid if made within 12 months of the customer's initial contact with the provider in relation to the complaint. However, we consider the timeframe should be at least consistent with that recently adopted by the Australian Telecommunications Industry Ombudsman (TIO).
- 7.2 As the TCF may be aware, Australian consumers now have a 24-month window to make complaints to the TIO. In addition, the TIO has the discretion to investigate complaints that consumers became aware of up to six years before contacting the Ombudsman.
- 7.3 We believe an extension of the timeframe for bringing complaints is necessary, particularly as many telco contracts are now for terms of 24 months. The timeframe for bringing complaints should at least match the length of these contracts. The Code also needs the flexibility to consider valid complaints that fall outside this window.

Thank you for the opportunity to make a submission on this code. If you require any further information, please do not hesitate to contact me.

Yours sincerely



Sue Chetwin
Chief Executive