

Customer Complaint Settlement Scheme

**For the Second Year Implementation
from 1 May 2016 to 30 April 2017**

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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 2017 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
CMMobile Global Communications Limited	CSL Mobile Limited
HKBN Enterprise Solutions Limited	Hong Kong Broadband Network Limited
Hong Kong Telecommunications (HKT) Limited	Hutchison Global Communications Limited
Hutchison Telephone Company Limited	i-CABLE
IMC Networks Limited	Multibyte Info Technology Limited (newly joined on 1 August 2016)
SmarTone Mobile Communications Limited	Sun Mobile 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 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 Tam	–	Chairman
Dr. Xu Yan	–	Member
Mr. Vincent Kwok	–	Member

OPERATING TEAM

Ms. Kathlin Liao	–	Executive and full-time mediator (until 4 October 2016)
Ms. Kammy Cheng	–	Assistant Manager (appointed on 1 October 2016)
Mr. Gilbert Chan	–	Part-time mediator
Ms. Eunice Chen	–	Part-time mediator
Mr. Alex Wong	–	Part-time mediator
Mr. Jason Wong	–	Part-time mediator

SECRETARIAT

Ms. Agnes Lai	–	Administrative Officer (appointed on 21 November 2016)
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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.

During the second year of the long-term implementation, 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
24 May 2016	Lincoln House	14th EXCO Meeting 2014-2016	Operating Team; EXCO Members of CAHK
27 May 2016	The Centre	Governing Committee Meeting on CCSS	Operating Team; Governing Committee; OFCA
5 Jul 2016	Lincoln House	1st EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
25 Aug 2016	The Centre	Governing Committee Meeting on CCSS	Operating Team; Governing Committee; OFCA
25 Aug 2016	Lincoln House	2nd EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
14 Nov 2016	Lincoln House	3rd EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
7 Dec 2016	The Centre	Governing Committee Meeting on CCSS	Operating Team; Governing Committee; OFCA
9 Dec 2016	HK Jockey Club	4th EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
11 Jan 2017	Lincoln House	5th EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
13 Feb 2017	Lincoln House	6th EXCO Meeting 2016-2018	Operating Team; EXCO Members of CAHK
15 Mar 2017	The Centre	Governing Committee Meeting on CCSS	Operating Team; Governing Committee; OFCA

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 mediators for case 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 consumer, 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	- 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 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/[Signed%20Copy]%20Audit%20report%20(Apr%202015).pdf</p> <p>http://ccss.cahk.hk/en/pdf/[Signed%20Copy]%20Audit%20report%20(Apr%202016).pdf</p> <p>Annual Report</p> <p>http://ccss.cahk.hk/en/pdf/2014%20-%202016%20Annual%20Report%2020160718.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

In the second year of the long-term implementation, different measures were taken to enhance the public awareness and usage of the scheme. In particular, OFCA had launched a series of publicity campaign, including advertisements and advertorials in publications, public seminars and roving exhibitions, to introduce CCSS to the public.



The Centre had also participated in mediation-related events, such as the Mediation Week 2016 Seminars organised by the Department of Justice and the SME Conference of Mediation organised by the Joint Mediation Helpline Office. In those events, the Centre was invited to share the experiences in relation to the use of mediation for resolving disputes in the telecommunications sector.



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

Date	Channels	Particulars
11 May 2016	Function Hall, Department of Justice	Participated in the Mediation Forum on “The Beauty of Sector-Specific Mediation in Hong Kong” during the Mediation Week organized by Department of Justice
23 May 2016	AM730	CCSS comic strip advertisement
27 May 2016	Metro Daily	CCSS comic strip advertisement

Date	Channels	Particulars
13 Jun 2016	Hong Kong Productivity Council	Participated in the SME Conference “Mediation – Create Value and Prosperity” organized by Joint Mediation Helpline Office
20 Jun 2016	Headline Daily	CCSS comic strip advertisement
24 Jun 2016	Sky Post	CCSS comic strip advertisement
18 Jul 2016	AM730	CCSS comic strip advertisement
22 Jul 2016	Metro Daily	CCSS comic strip advertisement
20 Sep 2016	Sky Post	CCSS comic strip advertisement
Sep 2016 – Jan 2017	Museums, Hong Kong Central Library and Duke of Windsor Social Service Building	CCSS was introduced in OFCA’s public seminars
Sep 2016 – Mar 2017	Various shopping centres and Kowloon Park	CCSS information was included in the panel display at the OFCA roving exhibitions
Oct 2016	Facebook	CCSS information was posted on the OFCA’s Facebook page
Oct 2016 – Mar 2017	Social Services Centre	CCSS was introduced in the community talks on “Smart Use of Communications Services” organised by OFCA
Feb 2017	CCSS Members channels	CCSS leaflets were distributed at CCSS Members’ outlets
9 Mar 2017	E-Zone Magazine	CCSS advertorial

4. Statistics

A total of 65 eligible cases were received by OFCA during the second year of the long term implementation of the CCSS. Among them, 40 cases were satisfactorily settled before referral to the Centre and the remaining 25 cases were referred to the Centre.

	No. of eligible cases
Cases settled before referral to the Centre	40
Cases referred to the Centre	25
Total number of eligible cases	65

Among the 25 cases referred to the Centre, 24 were satisfactorily settled and only 1 case was not settled.

	No. of cases referred to the Centre
Cases settled/closed before mediation	8
Cases settled after mediation	16
Case not settled after mediation	1
Total number of referred cases	25

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 year of the long term implementation 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%	94.1%
% of cases which were processed within 2 months from date of referral from OFCA to completion of Mediation.	75%	100%

KPIs	Target	Achievement
% 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%	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	30%	96%
Average score of the user satisfaction survey (5 as the highest)	3	4.8

* No complaint was received during the period.

Over the past year, the Centre has achieved all 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 year of the long term implementation 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	4.9	4.8
2	The Centre staff have consulted me on a timing and method for conducting mediation that suited my needs	4.9	4.8
3	The Centre staff were responsive to my enquiries	4.9	4.9
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	4.8	4.9
6	The charge on using the CCSS service (HK\$100) was reasonable	4.9	N/A
7	The time taken for resolving the dispute via the CCSS was reasonable	4.5	4.8

Average score (5 as the highest)		Customers	CCSS Members
8	The CCSS was effective in resolving the billing disputes in deadlock	4.5	4.8
9	The overall arrangement of the CCSS was satisfactory	4.6	4.8
Average total score:		4.8	4.8

6. Case Study

Case 1:

The customer had subscribed to a discounted IDD service plan of the CCSS Member and believed that she could save a lot of money by using the discounted plan to make long distance calls. However, when the customer received the phone bill from the CCSS Member, she was surprised that majority of the IDD calls were charged at a premium rate under the CCSS Member's IDD 001 service. The customer considered that she had not used the IDD 001 service and did not accept the IDD charges. The billing dispute went in deadlock and the case was referred to the CCSS.

During the mediation meeting, the mediator facilitated both parties to identify the issues giving rise to the dispute. With the assistance of the mediator, the customer was given to understand that when she made the IDD calls by simply selecting the phone numbers from her phone's call record, the IDD 001 service would be used even though she had not dialled the IDD 001 access code. To use the discounted IDD service she had subscribed, the customer had to dial the IDD access code of the discounted service followed with the country code, area code and the phone number. Having understood the root cause of the dispute, both parties had reached an agreement to resolve the billing dispute and the case was successfully settled. Through the mediation, the customer also understood the correct way of dialling IDD calls when using IDD access codes.

Case 2:

The customer was a mobile service subscriber of the CCSS Member. When travelling overseas, his wallet was stolen. The customer immediately reported his loss to the local police and his banks for cancellation of his bank cards and credit cards. The customer did not realise that his Hong Kong SIM card was kept in the wallet until he returned to Hong Kong and received a bill from the CCSS Member with substantial amount of roaming charges. The customer believed

that the roaming services were used by the thief.

The customer admitted that he should also have reported the loss of SIM card to the CCSS Member immediately. However, he argued that the CCSS Member should have noticed the abnormal usage of his SIM card and suspended it accordingly. The CCSS Member insisted that it was the responsibility of the customer to notify the company once the SIM card had been lost and the customer had to settle the charges incurred. The negotiation went into deadlock and was referred to the CCSS.

During the mediation meeting, both parties were invited to list out their concerns and find out their common grounds and interest. The mediator assisted both parties to understand each other's concerns and explore possible solutions. With the assistance of the mediator, both parties reached a settlement agreement to resolve the billing dispute and the case was successfully settled.

7. Audited Financial Statement

In the second year of the long term implementation, the Centre was granted sponsorship of HK\$1,188,567 from OFCA for the operation of CCSS.

The total Income and Expenditure for the second year of the long-term implementation was HK\$1,194,975 and HK\$1,106,913 respectively. The total income included the above sponsorship, service fees for cases handled under the CCSS and the bank interest. Under these circumstances, the surplus for the period was HK\$88,062.

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 -