

Speech on Consumer Protection and Quality of Service

New Delhi, India

22 March 2016

Distinguished guests,

Ladies and gentlemen,

Good morning,

First of all, I would like to thank the ITU and the TRAI for inviting me to share my experience in quality of service and consumer protection work in Thailand here in New Delhi today.

At the NBTC, we take consumer protection work very seriously. Today, I will focus on four main areas of the consumer protection work that we do. The first one is **price regulation**. Second, I will talk about some of the various **consumer protection tools** that we have. The third topic will be our **complaint handling process**. And lastly, I will talk about our work in **quality of service**.

Let me begin with our work in price regulation.

In the past, prices of telecommunications services were not regulated; as a result they were quite high. Local calls between mobile phones were costing between 15 to 20 US cents per minute (5 to 7 baht per minute). And long-distance calls were even more expensive, costing over 28 US cents per minute (10 baht per minute). There was no specialized consumer protection body for the telecommunications sector. Consumer protection work for all sectors was centralized and taken care of by **the Office of the Consumer Protection Board** whose focus and specialization were not tailored to telecommunications pricing issues.

After the NBTC was established in 2011, in an effort to bring telecommunications service prices down, we began to regulate prices for the first time. After a careful study, the NBTC adopted a cost-based approach to regulate service prices. Under the new price regulation, mobile calls must not cost more than 3 cents per minute (**0.99 baht per minute**). After this rule was enforced, service prices came down to an average of just under 3 cents per minute (0.90 to 0.98 baht per minute).

After that, the NBTC has been using **spectrum auction conditions as a tool** to further bring service prices down realizing the existence of economies of scale and decreasing costs. We do this with both our 3G and 4G services.

When we held the country's first-ever spectrum auction for the 2.1 GHz spectrum, which enabled 3G services in 2012, we mandated that **prices of mobile services offered using this spectrum must be at least 15% lower than current price levels** at the time. That meant voice services must not cost more than around 2 cents per minute (0.82 baht per minute), and data services must not cost more than around one cent per megabyte (0.28 baht per megabyte).

Together with effective competition, average service prices fell even further, with voice and data services falling into the range of 1 cent per minute (0.40 to 0.43 baht per minute), and 1 cent per megabyte (0.17 to 0.28 baht per megabyte) within 3 years after the auction in 2012.

We do the same thing with our 4G spectrum auctions. Last year, the NBTC held two 4G spectrum auctions, one for the 1800 MHz and the other for 900 MHz spectrum. Again, we specified in the auction conditions that voice and data services on this spectrum must be subject to pricing regulation to ensure that there would be no abnormal gains. That is, voice calls must cost less than 2 cents per minute (0.69 baht

per minute), and data must not cost more than around 1 cent per megabyte (0.26 baht per megabyte).

As of now, all of our auction winners have complied with this rule. Winners of the 1800 MHz auction have already launched their 4G services, and according to our latest monthly price survey in January, all of the new 4G price plans are compliant with our price regulation.

Additionally, as part of the 4G auction conditions, operators must offer **special services for the visually and hearing impaired consumers**. Specifically, operators must offer phone bills printed in Braille. The NBTC has also set up an audio call assistant service for the hearing-impaired. Following the success of mandating **per-second billing**, we are now working on getting service providers to offer **lower-tariff packages for low-income consumers**.

That wraps up the first focus area of our consumer protection work, which is price regulation.

Next, let's move on to my second topic, which is the various **consumer protection tools** that we have put in place to alleviate problems that consumers face on a regular basis. We have many of these tools that are actively used, and today I will talk about two main ones.

The first tool I will talk about is **bill shock prevention**. In the past, we used to have frequent cases of reported bill shock from international roaming services. This happens when mobile phone users use their phone overseas and get charged very high fees without them knowing. The problem was caused partly by the lack of understanding of how mobile services would be charged overseas, or how to turn off data roaming services in case a consumer did not wish to use them.

The NBTC worked with all mobile service providers to set up a free-to-call number, in the form of USSD code, across all providers that consumers can dial from their phones to easily and instantly **turn off data services before going overseas**. That number is ***106#**. We widely publicized this number through media outlets as well as in airports. The result was a reduction in the amount of complaints received regarding bill shock or getting charged high prices for overseas roaming.

The second tool is a method that enables consumers to know quickly what tariff package they are subscribed to, and how much voice and data usage they have used in that month. In the past, we often received complaints about **incorrect billing and usage monitoring problems**. It was not always simple to check how much voice and data services a consumer had used in that billing cycle. And consumers would not be notified if they had gone over the voice and data allowance of their tariff package.

Similarly, the NBTC worked to set up a free USSD-coded number that consumers can dial to receive instant messages on their phones, telling them what tariff package they are currently subscribed to (***165*1#**), and how much voice and data they have used up in that particular billing cycle (***165*2#**).

These are just some examples of the various consumer protection measures we have in Thailand. Most of them were inspired by the complaints we received the most often from consumers, so next up, I would like to talk about my third topic, which is **our complaint handling process**.

In Thailand, when consumers of telecom services encounter a problem in any aspect of their service, they have many **choices for reporting the problem and getting it fixed**. First, they can **directly contact their service provider**. The NBTC has mandated that all telecom service providers set up a toll-free call center number to receive and

handle complaints from their customers, and to handle the issue within 30 days of receipt. This is usually the fastest way to resolve simple issues.

Alternatively, or if a consumer is not satisfied with the way their issue is handled by their service provider, they can choose to **report the problem directly to the NBTC**. This can be done in many ways. We have a call center dedicated to receive complaints. Consumers can call us at the number 1200. Consumers can send us an SMS or email, or a fax. They can file complaints through our website, as well as through post, or they can come directly to our office to file their complaint in person. We even have a mobile application that lets consumers file their complaints to us directly from their devices.

After we receive a complaint, by law the NBTC must notify **the consumer of the outcome of the complaint handling process within 30 days**. Most issues can be resolved after the NBTC gets in touch with the service provider and discusses the issue with them to come to a conclusion. More complicated issues or issues affecting large groups of consumers at once will go through the NBTC board who will discuss the issue to come up with a solution.

Our Consumer Protection Bureau maintains a record of the number of complaints received and of the top issues that are reported each day, so that actions can be taken promptly should there be a sudden increase in the number of complaints or if any major complaints remain unsolved for a long period of time.

In 2015, the NBTC received over 2,900 (two thousand nine hundred) complaint **submissions** through all of the various channels. Of these, 89% were resolved to the satisfaction of the complaint filer. The top five issues of complaints were about problems with mobile service cancellation, incorrect billing, mobile signal quality, health impact from cell towers, and incorrect SMS charges.

Another alternative that consumers have for getting their issues resolved is to go through our **Telecommunications Mediation Center**. The NBTC set up this Telecommunications Mediation Center in 2013 as a means to provide consumers with an Alternative Dispute Resolution mechanism, which is meant to help solve problems more quickly. The Center maintains a list of qualified, neutral **Mediators**, whose duty is to help find satisfactory solutions to disputes between the consumer and service provider. Consumers can choose to use this alternative dispute resolution method free of charge, and if they are not happy with the mediation outcome, they can still choose to go back to the traditional complaint handling process. Currently, **many of the issues that come to the Mediation Center can be resolved within 2 to 3 days.**

Next, I would like to move on to my fourth and last topic, which is our **quality of service regulation**. The NBTC has adopted international standards in regulating quality of service across all services, **including voice, data, VoIP and interconnection services**. The NBTC mandate contains an extensive list of quality of service standards with which service providers must comply.

Some examples of these are successful call rate and drop call rate. Calls within the same network must have a success rate of at least 90%, and calls to a different network must have a success rate of at least 85%. Drop call rate within the same network must not be more than 2%. Moreover, the waiting time to obtain human responses from call center must not be longer than 60 seconds.

Service providers must report their quality of service performances to the NBTC every quarter. In addition, the NBTC conducts regular checks of quality of service. Currently, all service providers have passed these quality of service standards.

Our quality of service work also includes work on service coverage. The NBTC continually works to expand coverage of mobile services in the country. Our 3G auction conditions specified that service providers must cover at least 80% of population within 4 years from the date of the auction. We achieved those goals much sooner than the required time, and today, our 3G coverage stands at more than 95% of population.

Similarly, our 4G auction conditions – the 1800MHz and 900MHz band - require service providers to roll out their network to cover 40 to 50% of population in 4 years, and 50 to 80% of population in 8 years. Again, the NBTC is confident that these goals will be achieved much sooner than that due to intensive market competition.

In addition, to further improve quality of service, the NBTC utilizes a number of **mobile signal monitoring vans**. These vans can be dispatched to locations around the country to assess mobile phone signal levels. In case there are reports of poor or a lack of signal in any area, such as there have been reported cases in airports, we can send a mobile signal monitoring van to measure the signal, and notify service providers to fix the problem promptly.

I am also happy to tell you that we even have a **mobile application** that will let users check the strength of their mobile signal and the speed of their Internet connection, and instantly report any problems or dissatisfaction to us electronically, with built-in location information. This tool has helped us discover many “blind spots” that have poor reception, so we can work with service providers to fix the problem quickly.

With that, I hope you’ve gotten an overview of the four main topics I wanted to talk about today.

While we are proud of our progress in consumer protection work in the last few years, we are aware that there is room for improvement. The Thai population currently stands at 67 million people, and we have over 90 million mobile subscriptions nationwide. In comparison, in the last year we received only about 3,000 complaints in total, which translates a very small percentage of the number of mobile users in the country. We believe that there are still consumers out there who are not aware of how to get help when there's a problem, or who do not have access to our various channels available for reporting problems.

We will not stop striving to continue to improve our regulations and processes, to help telecom users in Thailand benefit the most from ICT services. At the NBTC, **solving problems for consumers is our happiness.** Thank you very much.