

Protecting consumer interest in the digital era

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Background

- Consumer protection is always a focus for regulators.
- As we move further into the digital era, the challenges facing consumers will develop.
- Regulators will need to update their approaches for looking after consumer interests.
- This is particularly so for telecommunications and ICT regulators, due to the risk that technological changes will leave consumers behind.

Problem definition: what issues do consumers face in the digital era?

- There are some unique problems that consumers face in the telecommunications sector. These include:
 - Lack of information about services
 - Incentives on providers to over-promise
 - Dispersed consumer voice
 - The challenge of privacy and data access
 - Low visibility of regulator
 - Consumer difficulty in identifying who is responsible for a problem

Problem: lack of information

- Generally, providers of telecommunications services will have significantly more knowledge about the service they are providing than consumers.
- Consumers can lack good information on the range of services available, the technical features and the commercial terms of supply.
- This can lead to:
 - consumers making choices that are not in their best interests; and
 - consumers not understanding that their service provider owes them obligations.

Problem: healthy competition can lead to incentives to over-promise

- There is an ever-increasing range of technology products on offer, and increasing competition between providers.
- This can result in providers having an incentive to over-promise to consumers what their service can do and how good or appropriate the service is.

Problem: dispersed consumer voice

- Consumers are likely to have similar problems, but as they do not work together to make themselves heard, these problems may go unresolved.

Problem: the challenge of privacy and data access

- Telecommunications providers obtain a significant amount of information from their customers.
- There is a risk that firms use this information in ways that are not beneficial for consumer interests, or pass on the information to third parties.
- Consumers should be able to obtain quality telecommunications services without giving up their right to privacy.

Problem: low visibility of regulator

- Most countries have telecommunications regulators that exist to both protect consumers and ensure telecommunications markets are operating properly.
- However, consumers are not always aware of the existence of the regulator, or the regulator's role and how they can help.
- This can mean that consumers are not seeking the help that regulators may offer.

Problem: consumer difficulty in identifying who is responsible for a problem

- Technology services generally have a chain of providers.
- For example, there may be a network provider, retail service provider and software/hardware providers.
- Consumers have difficulty distinguishing between these providers and the different roles they have.
- When consumers have a problem, they have difficulty identifying who is responsible / who they should be talking to.

Solutions: how can we address these issues?

- More active and visible regulators that:
 - promote their role;
 - publish information about obligations that telecommunications service providers owe consumers;
 - provide consumers with a place to bring complaints processes; and
 - bring providers and consumers together to resolve concerns and disputes.

Solutions: how can we address these issues?

- Legislative change to increase regulators' role and powers, such as allowing regulators to:
 - require increased information about price and quality from telecommunications service providers;
 - issue quality standard codes for telecommunications service providers; and
 - require telecommunications service providers to enter into mediation or other dispute resolution processes.

Solutions: how can we address these issues?

- Creation and use of privacy principles and data access rules:
 - These rules could be tied to other, more general privacy legislation.
 - The principles can be adapted from other jurisdictions: the right to privacy is reasonably universal and consistent across jurisdictions.
 - There may be legislative or regulatory change requiring telecommunications service providers to uphold these principles.
 - There could be statutory enforcement options for providers who do not uphold the principles.