

TOUGH CHOICES: WHAT DO CONTRACTS HAVE TO DO WITH THEM?

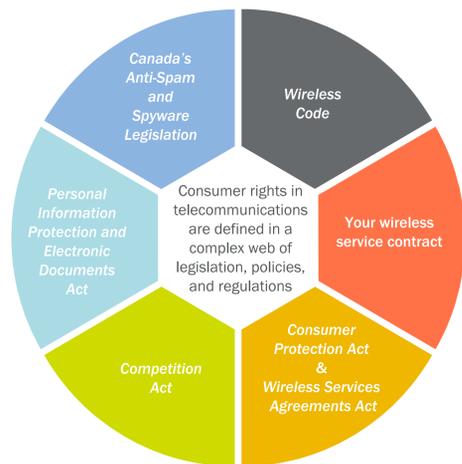
Improving Consumer Information Literacy and Pre-Purchase Decision-Making

Stefanija Savić,¹ Mary Cavanagh², Marina Pavlović¹

1. Faculty of Law, University of Ottawa, 2. School of Information Studies, University of Ottawa

MANY TELECOMMUNICATIONS CONSUMERS ARE UNAWARE OF THEIR RIGHTS

In telecommunications, consumer rights are outlined in a complex regulatory framework of federal and provincial legislation, policies and regulations, which are either unknown to most Canadians or too complicated to navigate. Though the aim of the *Wireless Code* is to empower consumers to make informed decisions, awareness of the *Code* is quite low. Since most consumers are unaware of the *Code*, they are also likely unaware of when their rights are violated. Consequently, they are unable to effectively advocate for themselves when a problem arises.



TELECOMMUNICATIONS CONSUMERS MUST BE EMPOWERED TO MAKE INFORMED DECISIONS

Although there has never been access to more information, there is an increasing access divide caused by lack of adequate information literacy and self-advocacy. More often than not, consumers are unable to navigate this vast amount of information and access the very resources that are intended to protect their rights. The unique nature of issues that arise in the context of telecommunications requires a customized solution. Low cost complaints, high incidence rate, and significant reliance on self-help require a customer-centered approach to achieving effective access to justice. **The pre-purchase consumer information guide and checklist, therefore, will empower consumers when signing a wireless services contract by making them more aware of their rights and responsibilities. This tool will allow them to ask the right questions and obtain the necessary information in order to make a truly informed decision when choosing a wireless services provider.**

METHODOLOGY & LITERATURE

The checklist was developed through review and analysis of the primary legal sources and the relevant literature.

Primary sources: *Wireless Code*. CCTS Annotated *Wireless Code* (2016). CCTS Annual Report (2014).

Literature: A Currie, "The legal problems of everyday life" (2009). A Currie, "Self-Helpers Need Help Too" (2010). Action Committee on Access to Justice in Civil and Family Matters, *Access to Civil & Family Justice: A Roadmap for Change* (2013). A Duggan & I Ramsay, "Front-End Strategies for Improving Consumer Access to Justice" (2012). CRTC, *Communications Monitoring Report 2015*. E Lally, "Preparing for the broadband world: Fostering consumer confidence through collaboration and partnerships" (2008). E Lally & D Rowe "Impossible choices: Complexity and dissatisfaction in the telecommunications consumer-service provider relationship" (2009). E Lally & D Rowe "Perplexing choices: Understanding the relationship between telecommunications consumers and service providers" (2010). S Livingstone, "What is media literacy?" (2004). L Nader, "Disputing without the Force of Law" (1979). M Pavlović, "Access to Justice for Consumers of Telecommunications Services" (2015).

CONTRACTING FOR SUCCESS: PRE-PURCHASE TELECOMMUNICATIONS CONSUMER CHECKLIST

In order for a consumer to make an informed decision when signing a contract, she/he must be able to understand the documents fully. Additionally, the contract informs consumers of their rights and responsibilities, and allows them to know and protect their rights if issues arise in the future.

CONTRACT & RELATED DOCUMENTS

WHAT?

A permanent copy of the contract and related documents must be provided to the consumer at no charge. The contract must be a paper copy unless the consumer expressly and knowingly agrees to an electronic copy.

HOW?

- ◆ If the contract is signed in person, the service provider must give the contract and related documents to the consumer immediately after she/he agrees to the contract.
 - ◆ If the contract is concluded over the phone or online, it must be provided to the consumer within 15 calendar days.
- If the service provider doesn't comply, the consumer can cancel the contract within 30 days after receiving it, without paying a cancellation fee or any other penalty.

CONTRACT LANGUAGE

WHAT?

A contract must:

- ◆ Use plain language
- ◆ Clearly describe all services signed up for
- ◆ Set out prices clearly and indicate if taxes are included

A fair use policy must:

- ◆ Use plain language
- ◆ Clearly set out any limits on unlimited services

WHEN?

As soon as the consumer is given copies of the contract and related documents by the service provider, she/he must be satisfied that the documents are clear and easy to understand.

KEY TERMS & CONDITIONS

WHAT?

These key terms and conditions must be included in every contract:

- ◆ Services included and any limits on their use that could trigger overage charges or additional fees
- ◆ Minimum monthly charges
- ◆ Commitment period and the end date of contract
- ◆ Total early cancellation fee
- ◆ Amount by which the early cancellation fee will decrease each month
- ◆ Date on which you will no longer be subject to the early cancellation fee

If the contract includes a subsidized device, the contract must set out these terms:

- ◆ The retail price of the device
- ◆ The amount you paid for the device
- ◆ The fee to unlock the device

WHEN?

As soon as consumer is provided with a copy of the contract.

OTHER ASPECTS OF THE CONTRACT

WHAT?

The service provider must make each consumer aware of these terms:

- ◆ An explanation of related documents, including privacy policies and fair use policies
- ◆ All one-time costs, itemized separately
- ◆ The trial period for the contract
- ◆ Rates for optional services, if any are selected
- ◆ Whether the contract will be extended automatically when it expires, and if so, when
- ◆ Whether upgrading device or changing a contract term would extend commitment period or change any other aspect of the contract
- ◆ The amount of any security deposit and conditions, including the conditions for return of the deposit

WHEN?

As soon as consumer is provided with a copy of the contract.

ADDITIONAL INFORMATION NOT IN CONTRACT

WHAT?

The service provider must make consumers aware of the following additional information:

- ◆ Rates for optional and pay-per-use services
- ◆ Information about device manufacturer's warranty (before a provider offers an extended warranty or insurance on the device)
- ◆ Tools to help your manage bills
- ◆ The service provider's service coverage area
- ◆ How to contact the service provider's customer service department
- ◆ How to make a complaint about wireless services, including contact information for CCTS
- ◆ *The Wireless Code*

WHEN?

As soon as consumer is provided with a copy of the contract.

UROP 2015-2016 team

Students: Kate Agymang | Stefanija Savic | Madeleine Werker | Stephanie Woods

Research supervisors: Professor Mary Cavanagh, uOttawa ÉSIS | Professor Marina Pavlović, uOttawa Common Law

