



Enarpee Services Ltd

The Regulatory & Compliance Advice Service

Jackie Clark
Forum Administrator
Telecommunications Carriers' Forum
PO Box 302469
North Harbour
Auckland

16th July 2010

Dear Jackie,

Thank you for your letter of the 17th June 2010 inviting Ericsson Communications Ltd to respond to the Industry Consultation on the Draft Code for Mobile Messaging Services.

Tim Cuthbert of Ericsson has requested that Enarpee Services collate the response on behalf of Ericsson Communications and ask you to accept this letter on their behalf.

We apologise for the slight delay in responding, this was due to a number of key people being away on vacation and business trips.

We also understand that this document will be considered as public and will be published on your website.

Yours sincerely

Paul Craig
Director

Copy: Tim Cuthbert

Introduction

Ericsson Communications Ltd are pleased to respond to the Telecommunications Carriers Forum (TCF) Mobile Messaging Draft Code. Ericsson is committed to ensuring Consumers are properly informed on premium billed mobile phone services and is also fully committed to an evidence based light touch regulatory regime which is based on the principles of Co-Regulation, where industry stakeholders, consumers and regulators can work together to ensure a robust but fair code of practice, which encourages entrepreneurialism and innovation with the added right of consumer protection. With the right balance all stakeholders can support an appropriate code to see their respective needs are considered and accounted for.

Ericsson is also fully committed to supporting a voluntary code and will actively encourage any of its customers to also sign up to it.

When reviewing the draft documentation we found there to be many inconsistencies in terms of wording, grammar and definitions which we found to be confusing and respectfully suggest consumers who may not be industry literate, would also be very confused by the document and its actual meaning.

We are pleased to bullet point for you below the main areas that were of concern. We would be happy to elaborate further if required.

Introduction & Overview Document, Page 1 - Terminology

- There appear to be references to a standard rate text using two terms "standard charge" and "chargeable". Surely a standard rate text is either paid for or as part of a bundled package, and would benefit from a single unified terminology.
- There are also references to prices ranging from \$0.01 - \$0.20. Will this create confusion with bundled texts that are seen as essentially free?
- What is wrong with referring to them all as "standard rate" texts, then the price is irrelevant?
- Definitions;
 - They refer to the different parties that are in the supply chain, but it's confusing.
 - Carrier, TSP, CSP, CP....
 - What about affiliates? Do they not also have an obligation to comply with the Code? Essentially this market succeeds on a reseller model basis and therefore it would make sense to include the obligations

for resellers and affiliate marketers?

- Companies that supply marketing databases should also be included within the scope of this document?
- We would propose that a diagram showing the different relationships be useful for those individuals reading the documentation for the first time and not knowing where they fit in the supply chain?

4.1

We suggest that the wording for this section leaves the code open to legal challenge. The point of a regulatory code of practice is to provide stakeholders in this industry sector, with a degree of certainty. It cannot do so when one of the first clauses states that it does not constitute legal advice nor does it provide a comprehensive outline of legal issues. We understand it is a voluntary code but surely it needs to have some teeth?

4.2

Industry participants and by this we include the commonly used term "stakeholders", are only obliged to comply with applicable laws and regulations. As this is a voluntary code, the provisions within it are not mandatory, however later in the document it states "... should also comply with voluntary codes".

We suggest that this is a contradiction in terms. Are the terms binding and mandatory or are they a statement of expectation, and therefore voluntary with no sanctions if the terms are broken? We feel there should be a clear distinction between what is mandatory and what is not.

5.4.2

What happens if an industry participant disagrees with the categorisation they are given, and what is the right of appeal or arbitration?

9.42

Why does screen resolution size refer to 1024 x 700. Our research indicates that the majority of users use 1024 x 768. Should we assume this to be an error?

10.1.1

We suggest that it would be good practise to include the occasional requirement for a STOP command, so that customers know how to get out of a subscription service if they wish.

15.1

Consent – It is not clear from the text in paragraphs (a) to (d) as to what would actually constitute consent – What customer actions signify consent? It is also addressed in Section 16.2. so should this be made clear before-hand and this section be above what is currently section 15.1.

15.1.2

2 Years – This would appear to be excessive and may not be practical? Has any detailed regulatory impact assessment been conducted into the cost to industry for this?

16.2(b)

An IVR would not necessarily capture handset details – Is it possible to elaborate on how that is supposed to happen?

17.1

It is confusing to the reader when the term 'Messages' is used in the same sentence but means slightly different things. The second reference to messages is really referring to content or promotional content.

20.2.1

Why do we not standardise on the use of STOP instead of Quit etc.

20.5

The use of the message "STOP ALL" as a command to end all services is commonplace in many countries. It may be more appropriate to use than "STOP EVERYTHING" which is a longer text?

It is important to consider that when customers have multiple subscriptions they rarely remember what they have subscribed to and will find it difficult to stop a single service unless supported by the Content Provider with clear messaging. It is in no ones interest to stop all services when the customer actually only wanted to stop one of them.

21.1.1

Standard text is called "standard carriage charge" but the definitions refer to "standard charge". Again we would consider this to be confusing and suggest it is clarified.

23.1.3

What is a month – A calendar month or usage month?

General points:

There is no mention of the use of PIN codes for subscriptions. To create a level playing field it would seem fair to have the rules established. i.e. PIN codes text messages are to be sent out with no promotional information, so as to avoid any issues is that are received in error. Also PIN Codes should have a limited shelf life in order to reduce errors. Both these points improve the customer's security and avoid unnecessary complaints.

30.1.1/30.2.2

For non-chargeable messages it is acceptable to pay for the customer service call but for chargeable it is suggested this should be free? Are all free phone numbers in NZ actually free when calls are from mobile phones or should this changed so that their cost is no more that a local/national landline call?

Tim Cuthbert
Ericsson Communications Limited