



## New Zealand Telecommunications Forum

### Disconnection Code

<b>Code Status:</b>	<b>Endorsed</b>
<b>Code Classification:</b>	Voluntary Code
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<b>Review Status:</b>	This Code was endorsed in September 2013. It was reviewed by the TCF Members in May 2016. It was determined that no amendments were necessary. The next review is due in 2018.

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## **BACKGROUND**

Prior to the development of the Disconnection Code (the 'Code') there was no agreed set of minimum requirements or standards between telecommunications providers in regards to disconnection, resulting in varying disconnection policies being employed.

The public interest in disconnection practices by infrastructure providers in New Zealand caused the TCF to take stock of how disconnection policies were applied within each organisation and the industry more generally, and how those practices are communicated to our customers. It was concluded that the industry and customers would benefit from the development and publication of an industry Code setting out minimum standards that will be applied in this area.

This Disconnection Code was originally finalised and endorsed by the TCF in late 2008. The Code sets out the principles and guidelines which telecommunications providers should comply with in developing operating and applying disconnection policies for residential customers.

The Code's high-level objective is to provide a fair and consistent disconnection standard across all Service Providers who are parties to this Code. This objective is achieved by:

1. Setting minimum standards for credit related disconnection and restriction of telecommunications services should a customer not meet their commitments under the terms and conditions of their contract for service.
2. In general terms documenting the high level process and timings around disconnection.
3. Developing principles that Service Providers would be required to comply with in operating and applying disconnection policies for customers including ensuring that information given to customers is clear, accurate and easy to understand.
4. Setting out Service Provider obligations including a statement outlining Service Providers obligations to advise customers of payment options and telecommunications services.
5. Documenting guidelines for compliance and monitoring of the Code.
6. Setting out the minimum standards for best practice in relation to disconnection.

Once the Disconnection Process is triggered the Service Provider will:

- If a Service Provider intends to Restrict Services send a notification to the Customer of the intention to Restrict the Customer's Telecommunications Services;
- May apply a Restriction (where appropriate) to the Customer's Telecommunications Services (unless otherwise specified, the Service Provider determines the list of restricted Telecommunications Services depending on the circumstances);
- If payment of the overdue amount is not forthcoming, and is not the subject of a dispute, send a notification to the Customer of the intention to Suspend the Customer's Telecommunications Services;
- Suspend the Customer's Telecommunications Services;
- If payment of the overdue amount is not forthcoming, and is not the subject of a dispute, send a Disconnection notification to the Customer of the intention to Disconnect the Customer's Telecommunications Services;
- Disconnect the Customer's Telecommunications Services.

## **SUMMARY OF CHANGES IN 2013 VERSION**

This Code has been amended for consistency with the developed Emergency Voice Calling Services Code and for the new compliance framework introduced in the Code Compliance Framework Code.

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## A. PURPOSE

1. The purpose of this Code is to ensure consistency for all Service Providers, who are Parties to this Code, with regard to Disconnection of Telecommunications Services which will enable Service Providers to have a set of minimum standards in place for Disconnection. The Code will assist in achieving a balance between legitimate industry interests and viability and Customers' interests.
2. The Code will provide Customer protection by setting minimum industry standards and fostering better industry practice rather than relying on measures enforced through regulation. It will ensure that Customers are provided with information in an appropriate form to enable them to make informed decisions concerning their Telecommunications Service arrangements.
3. This Code will take effect from the date the Code has been endorsed by the TCF and signed up to by Service Providers.

## B. DEFINED TERMS

In this Code, unless the context otherwise requires:

**"Bilateral Agreement"** means an agreement between a Party who is obliged to comply with the terms of this Code and another party (who might or might not also be a party to this Code).

**"Billing Relationship"** means a relationship where the Service Provider has a bona fide right to charge the Customer for any chargeable activity relating to the provision of Telecommunications Services.

**"Business Day"** means a day on which registered banks are open for normal banking business, excluding Saturdays, Sundays and nation-wide public holidays. Regional public holidays are considered to be Business Days.

**"Carrier"** means an entity that operates:

- (a) a public switched telephone network (or a functionally equivalent system) that originates, transits or terminates calls; and/or
- (b) a public data network.

A Person may be both a Carrier and a Service Provider. If a Party has more than one network, it can be classified as more than one Carrier.

**"Clause"** refers to a clause in this Code.

**"Code"** means this document including any annexures.

**"Credit Reporting Agent"** means a commercial organisation that maintains public and listed credit information on Customers.

**"Customer"** for the purposes of this Code means a natural person receiving Telecommunications Services which are required for either:

- (a) personal, domestic or household purposes
- (b) mixed personal, domestic, household and business purposes with the primary purpose being personal, domestic or household.

**“Debt Collection Agent”** means a commercial organisation that recovers outstanding debts on Disconnected accounts on behalf of other commercial organisations and individuals.

**“Dispute”** for the purposes of this Code, a “dispute” is any matter relating to this Code about which the Parties to the Code and the Customer disagree or are unable to agree on.

**“Disconnection”** means the final termination of a service between the Service Provider and the Customer.

**“Disconnection Process”** means the process which is triggered by non-payment, high usage of Telecommunications services or a high credit risk as assessed by the Service Provider.

**“Domain Name”** is used to identify a web page or URL on the internet.

**“Email Address”** is used to identify a unique user/identity who utilises an email account to correspond online with other parties.

**“Enforcement Agency”** means a person(s) nominated by the New Zealand Telecommunications Forum whose role is to monitor and enforce compliance of the obligations set out in this Code.

**“Fraud”** means any dishonest and intentional act, by one or more individuals, to obtain an unjust or illegal advantage.

**“Further Recourse”** means any avenue beyond a Service Provider’s internal complaints handling process for resolution of a complaint.

**“New Zealand Telecommunications Forum”** or “TCF” means the New Zealand Telecommunications Forum Incorporated Society of New Zealand.

**“Party”** means a Person signed up to and bound by this Code.

**“Person”** means a legal person and includes a company and any other legal entity.

**“Prepaid Services”** means a Telecommunications Service for which the Customer has paid in advance.

**“Restriction”** means a Telecommunication Service restriction in the form of a toll bar (inbound/outbound) or access to a Telecommunication Service maybe applied by a Service Provider to confine or limit a Customer’s ability to incur additional debt or charges on their account.

**“Service Provider (SP)”** means any person providing a Telecommunication Service to a customer and who has the Billing Relationship with the customer for that service. The same person may be both a Carrier and a Service Provider.

**“Suspension”** means a Service Provider rendering a customer’s access to Telecommunication Services or similar inoperable. This is usually applied to enforce collections actions due to non-payment of the customer’s accounts, where other forms of reminder have been ignored by the customer up to the time of application. NB: Suspend and Suspended have a similar meaning to ‘Suspension’.

**“Telecommunications Act”** means the Telecommunications Act 2001 as amended from time to time.

**“Telecommunication”** is the conveyance by electromagnetic means from one device to another of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature, whether for the information of any person using the device or not; but

excluding any conveyance that constitutes broadcasting.

**“Telecommunications Dispute Resolution Scheme” or TDRS** means a Further Recourse scheme that has been established by the TCF, the processes of which are set out in Annexure 2 of the Customer Complaints Code.

**“Telecommunication(s) Service”** means any goods, services, equipment and/or facilities that enables or facilitates Telecommunication.

## **C. OBJECTIVES AND SCOPE**

**4.** This Code governs the Disconnection actions and timings of Telecommunications Services to Customers to ensure consistency across all Service Providers who are Parties to this Code and to ensure a fair and reasonable Telecommunications Service to Customers.

### **5. Scope**

This Code governs Disconnection of Customers to ensure consistency in a Service Provider’s approach to Disconnection. This Code:

- 5.1. sets out principles that Service Providers must comply with in developing, operating and applying Disconnection policies for Customers;
- 5.2. provides guidelines for Service Providers to ensure fairness and compliance with their legal obligations and the obligations of the Code;
- 5.3. sets out the principles and services a customer can reasonably expect from their Service Provider.

### **6. Objectives**

The Code’s high-level objective is to provide a fair and consistent Disconnection standard across all Service Providers who are Parties to this Code. This objective is achieved by:

- 6.1. Setting minimum standards for credit related disconnection and restriction of Telecommunications Services should a Customer not meet their commitments under the terms and conditions of their contract for service;
- 6.2. In general terms documenting the high level process and timings around Disconnection;
- 6.3. Developing principles that Service Providers would be required to comply with in operating and applying Disconnection policies for Customers including:
  - 6.3.1 information given to Customers should be clear, accurate and easy to understand.
- 6.4. Recognition and consistency with other codes which tie into Disconnection such as:
  - 6.4.1 the Emergency Voice Calling Services Code in terms of Disconnection practices when a Telecommunications Service is required for emergency purposes;
  - 6.4.2 the Customer Complaints Code which sets out the principles and processes for customers to make a complaint and the handling of those complaints in a fair, reasonable and prompt manner.

- 6.5. Setting out Service Provider obligations including a statement outlining Service Providers' obligations to advise Customers of payment options and Telecommunications Services;
- 6.6. Documenting guidelines for compliance and monitoring of the Code; and
- 6.7. Setting out the minimum standards for best practice in relation to Disconnection.

## **7. Exclusions from Scope**

This Code does not apply to:

- 7.1. Disconnection for reasons of fraud or vandalism;
- 7.2. Disconnection policies for customers who do not meet the definition of Customer as defined in Section B;
- 7.3. post Disconnection debt recovery;
- 7.4. Prepaid Telecommunications Services;
- 7.5. Disconnection at the official direction of a government agency;
- 7.6. Customer initiated Disconnection such as:
  - 7.6.1 number portability and transfer requests (when the Customer requests a telephone number be transferred from their current Service Provider to another Service Provider);
  - 7.6.2 Service Providers transferring a Customer's telephone number from one Customer to another upon the current Customer's request;
- 7.7. Disconnection for reason of misuse/abuse of Telecommunications Services;
- 7.8. Disconnection for reasons outside of the Service Provider's control eg. Cut cables;
- 7.9. Persons who have been a customer of a Service Provider for less than 3 months; and
- 7.10. Customers who have migrated from wholesale services to Local Loop Unbundling (LLU) Services.

## **D. DISCONNECTION CODE PRINCIPLES**

- 8. The objective of this section is to define the main principles of Disconnection which are included in this Code.
  - 8.1. On occasion, Service Providers are required and may be forced to temporarily suspend or permanently disconnect Customer's Telecommunications Services due to concerns around the Customer's ability to meet their ongoing commitments. In most cases it is in the best interest of both the Customer and Service Providers for these actions to occur.
  - 8.2. There maybe occasions when the Service Provider has taken Disconnection action that is not deemed justified by the TDRS. If this situation occurs the Service Provider must ensure that the issue is remedied without cost to the Customer and in a prompt manner.

## **E. VULNERABLE CUSTOMERS**

- 9. Service Providers must act in a socially responsible manner when dealing with Vulnerable Customers who have identified a need for ongoing Telecommunication Services. A Vulnerable

Customer is a person who has demonstrated to their Service Provider that for reasons of age, health, disability or safety they, or a member of their household, are reliant on a Telecommunications Service for their wellbeing.

- 9.1. The Service Provider will:
  - 9.1.1 Ensure information relating to Vulnerable Customers and how to register as a Vulnerable Customer is displayed either online or in written material that is easily accessible by Customers;
  - 9.1.2 Ensure a process is in place for dealing with Vulnerable Customers which includes the approach outlined in clause 9.2.
- 9.2. Service Providers will ensure a socially responsible approach is taken when considering a Vulnerable Customer's dependency on Telecommunications Services before Disconnection occurs. This approach will include:
  - 9.2.1 Not Disconnecting essential Telecommunication Services unless all available avenues had been explored between the Customer and the Service Provider in terms of arranging payment of the overdue amount;
  - 9.2.2 Allowing the Customer adequate time to pay the overdue amount; and/or
  - 9.2.3 Agreeing a payment plan with the Customer to pay off the overdue amount over a period of time.

## **F. SERVICE PROVIDER OBLIGATIONS**

- 10. The objective of this section is to outline the responsibilities and obligations of the Service Provider with regard to Disconnection.
- 11. **Obligation to Advise**
  - 11.1. Service Providers' terms and conditions must set out the conditions under which Customers' Telecommunications Services can be Disconnected.
  - 11.2. Subject to clause 12, a Service Provider must make reasonable attempts to inform the Customer of the impending Disconnection of Telecommunications Service(s) a reasonable time in advance of the Disconnection taking place. The Service Provider must inform the Customer of:
    - 11.2.1 The reasons for the Service Provider's actions;
    - 11.2.2 The amount of time a Customer has to pay for the Telecommunications Services provided to them by the Service Provider and the Customer's obligations to pay by the due date;
    - 11.2.3 Any processes the Service Provider may have in place for the follow up of accounts which are overdue for payment;
    - 11.2.4 Part payment of a bill in circumstances where a number of Telecommunications Services are combined on one bill and the method (if any) by which amounts received are allocated; and
    - 11.2.5 Any additional reconnection costs which may be incurred by the Customer should their Telecommunications Services be restricted, suspended or disconnected.

- 11.3. When informing a Customer about a Disconnection of the Customer's Telecommunications Service a Service Provider can do so by using a number of different channels such as writing, fax, phone, text, email or voice messaging however the Service Provider must:
- 11.3.1 Ensure that the attempts to inform are directed to the Customer for that Telecommunications Service;
  - 11.3.2 Ensure that the primary method used by the Service Provider to inform the Customer is in a format reasonably acceptable to the Customer based on their usage history;
  - 11.3.3 In the case of verbal advice, make reasonable attempts to ascertain whether the Customer has understood such advice and ensure a record of the call is documented; and
  - 11.3.4 Where a reasonable attempt to inform the Customer is made in writing, include the date of issue on the correspondence.
- 11.4. Prior to a Service Provider Disconnecting a service, a Service Provider must make reasonable attempts to advise the Customer of:
- a. Options the Customer has in respect of repayment processes;
  - b. The earliest date on which the Disconnection could occur;
  - c. The consequences for the Customer of non-payment, including the consequences on other Telecommunications Services the Customer has with that Service Provider;
  - d. The Customer's information may be used for internal purposes or disclosed to a Credit Reporting agency;
  - e. Any process that enables Customers, following their Disconnection, to arrange a repayment plan prior to commencing external recovery or legal action in respect of outstanding amounts.

**12. Suspension or Restriction Without Notice**

- 12.1. A Service Provider may only Suspend or Restrict a Service without informing the Customer if the Service Provider reasonably deems the Customer's activity to be malicious, illegal, to pose material threat to the Service Provider's network or to other users, or the account status represents an unusually high usage of calling or broadband.

**13. Disconnection of Services**

- 13.1. Prior to a Service Provider Disconnecting a Telecommunication Service, a Service Provider must make reasonable attempts to separately provide a final notification advising the Customer, that:
- 13.1.1 Their Telecommunications Services will be Disconnected and the date on which that will occur;

- 13.1.2 The debt may be referred to an external Debt Collection agency for collection;
  - 13.1.3 Legal action may be taken to recover the unpaid debt;
  - 13.1.4 The Customer's information may be disclosed to external parties or a Credit Reporting agency;
  - 13.1.5 The Customer's phone number(s) may be lost after disconnection.
- 13.2. A Service Provider must not use a bill as a Disconnection notice under clause 13.1.
  - 13.3. Where a Disconnection notice is sent via electronic or other non-documentary methods, sufficient evidence of the non-documentary method used must be held for a reasonable time.
  - 13.4. Service Providers reserve the right to suspend all or part of a Customer's Telecommunications Services should they not meet their contractual obligations. If the Service Provider only suspends part of the Customer's Telecommunications Services they must continue to provide and supply Fault Management and Technical Support to the remaining Telecommunications Services that are not suspended.
  - 13.5. Service Providers are under no obligation to reserve a Customer's phone number(s), Domain Name or Email Address once a Disconnection has occurred.

**14. Timing of Disconnection:**

Service Providers must ensure that Disconnection is carried out prior to:

- 14.1. Referring the Customer debt to a Debt Collection agent; and
- 14.2. Listing a Customer with a Credit Reporting agency.

**15. Third Party Relationship**

- 15.1. A Service Provider must take all reasonable steps to ensure that processes under this Code are followed by third parties associated with Customers' Restriction, Suspension and/or Disconnection.
- 15.2. A Service Provider must take all reasonable steps to ensure that its Bilateral Agreements with Carriers, Wholesalers or Resellers include the relevant processes and provisions of the Code where it applies;
- 15.3. A Service Provider must take all reasonable steps to ensure that Customer's debts that are sold or assigned to third parties do not include any unresolved service or billing issues involving disputed balance amounts.

**G. CUSTOMER RESPONSIBILITIES**

- 16. The Customer has a number of responsibilities and obligations in relation to the Telecommunications Services they receive which are set out in the contract they enter into with their Telecommunications Service Provider. The terms and conditions of service included in the contract cover but are not limited to:

- 16.1. The responsibility to keep their Service Provider advised of their correct contact details and personal information,
  - 16.2. Responsibilities in relation to their use of the service; and
  - 16.3. Responsibilities in relation to payment of the service.
17. If the customer does not comply with its contractual obligations then the Service Provider will not necessarily be in breach of this Code if, in attempting to comply with the Code, it in good faith sends information to the customer to an address provided to it by the Customer but the Customer fails to receive that notice.

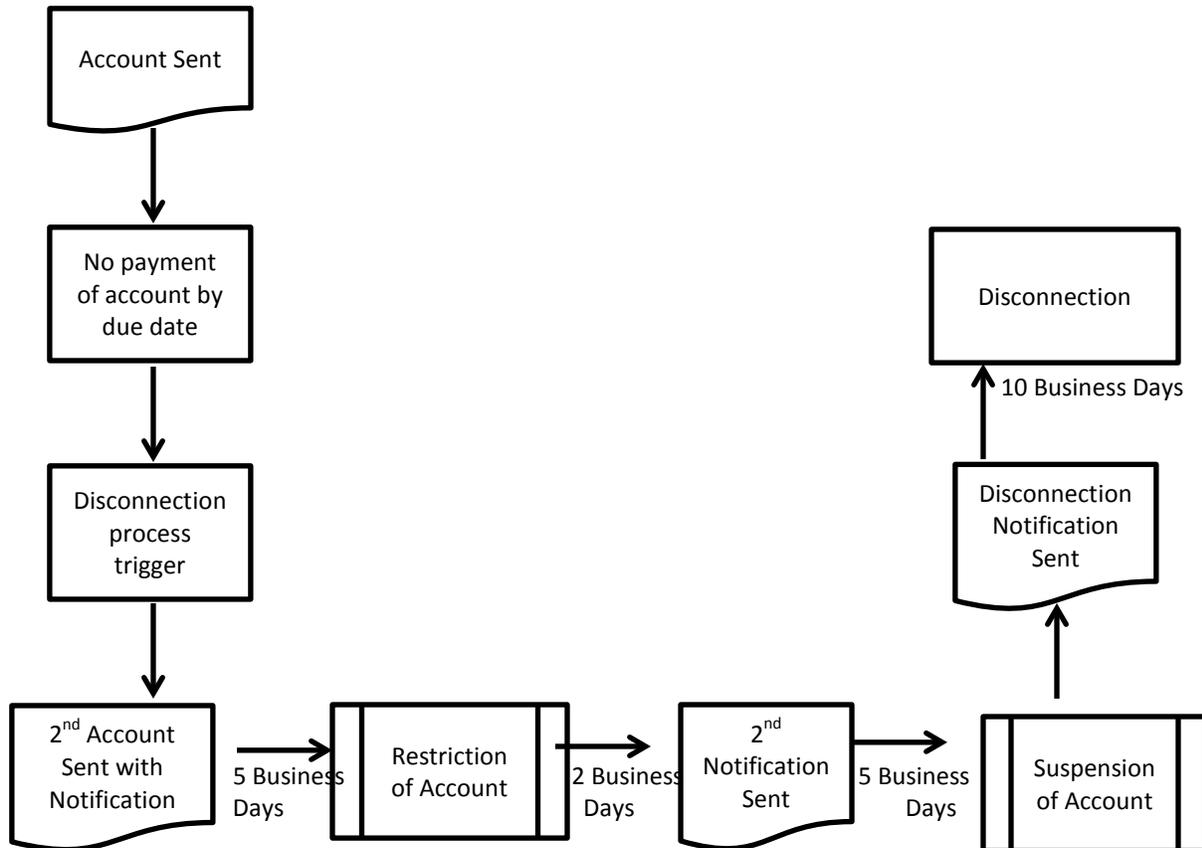
#### H. HIGH LEVEL PROCESS AND TIMINGS

18. The objective of this section is to outline a high level process that Service Providers will follow when disconnecting a Customer's Telecommunications Services.
19. **Suspension or Disconnection Action Over Disputed Amounts:**  
A Service Provider must not take Suspension or Disconnection action in relation to a disputed amount where:
- 19.1. The dispute is being investigated and remains unresolved by the Service Provider:  
and/or,
  - 19.2. The Customer has lodged a complaint with the TDRS (in accordance with the requirements of the TCF Customer Complaints Code) relating to the disputed amount and that complaint is under investigation by the TDRS.

For the avoidance of doubt, any portion of a bill that is undisputed by a Customer remains subject to standard payment timeframes as outlined in the Service Provider's terms and conditions. If an undisputed portion of a bill remains unpaid by the due date, this will act as a Disconnection trigger and kick off the Disconnection process as per clause 20.

## 20. High Level Disconnection Process

The diagram below outlines the high level Disconnection Process which must be followed by Service Providers who are bound by this Code. The diagram sets out the steps to be taken once the Disconnection Process is triggered.



21. The Disconnection process trigger is the non-payment of the account.

22. Once the Disconnection Process is triggered the Service Provider will:

- 22.1. If a Service Provider intends to Restrict Services, send a notification to the Customer of the intention to Restrict the Customer's Telecommunications Services;
- 22.2. May apply a Restriction (where appropriate) to the Customer's Telecommunications Services (unless otherwise specified, the Service Provider determines the list of restricted Telecommunications Services depending on the circumstances);
- 22.3. If payment of the overdue amount is not forthcoming, and is not the subject of a dispute, send a notification to the Customer of the intention to Suspend the Customer's Telecommunications Services;
- 22.4. Suspend the Customer's Telecommunication Services;
- 22.5. If payment of the overdue amount is not forthcoming, and is not the subject of a dispute, send a Disconnection notification (in accordance with clause 13) to the Customer of the intention to Disconnect the Customer's Telecommunications Services;
- 22.6. Disconnect the Customer's Telecommunications Services.

23. The notice periods specified in the diagram for each notification are minimums and could be extended by the Service Provider. All notice periods are Business Days. If the original overdue amount is paid, any new overdue amount incurred after this will restart the Disconnection process from clause 22.1 except in the case where an agreed payment plan between the Customer and the Service Provider has not been adhered to. In this case the Service Provider will retain the option to Suspend or Disconnect a Customer's Telecommunications Service.
24. If the Customer responds to the notification sent by the Service Provider a specific process should be discussed and agreed between the Customer and Service Provider regarding a payment plan.
25. Where appropriate the Service Provider may direct the Customer to the appropriate community group(s) to gain assistance in working towards the resolution of the situation.

## **I. CONSISTENCY WITH OTHER CODES AND TCF STANDARDS**

26. The objective of this section is to outline other TCF codes which the Disconnection Code must be consistent with.

### **26.1. Customer Complaints Code**

The purpose of the Customer Complaints Code is to set out the principles and processes for customers covered by that code to make a complaint and the handling of those complaints if their Service Provider is bound by the Customer Complaints Code.

Customers and Service Providers who are bound by the Customer Complaints Code must follow the processes set out in the Customer Complaints Code for resolution of a customer complaint before a customer can take a complaint to the TDRS.

### **26.2. TCF Customer Service Standards**

Below are the industry agreed service standards which apply to residential and small business customers of Service Providers who are members of the TDRS.

#### **26.2.1 What are the Service Standards?**

The Service standards are commitments to customers by Service Providers who are members of the TDRS for fair and reasonable dealings with those customers. They cover:

- a. What a customer can expect from Scheme Members terms and conditions;
- b. Changes to Scheme Members terms and conditions, prices and Telecommunications Services;
- c. Services provided;
- d. Billing;
- e. Restriction, Disconnection and Reconnection;
- f. Faults;
- g. Obligations from point of supply;
- h. Access to premises;
- i. Equipment ownership and maintenance; and
- j. Force Majeure clauses.

More information on the TDRS can be found on [www.tdr.org.nz](http://www.tdr.org.nz).

26.3. **Emergency Voice Calling Services Code**

The mandatory TCF Emergency Voice Calling Services Code sets out the standards and obligations on Service Providers on the availability and performance of Emergency Voice Calling. Obligations in the Disconnection Code have relevance to the specific disconnection and suspension processes used by Service Providers in meeting those Emergency calling obligations.

**J. COMPLIANCE WITH CODE OBLIGATIONS**

27. The TCF Code Compliance Framework (CCF) applies to the ongoing monitoring and compliance management of this Code. By becoming a Party to this Code, Parties agree to comply with and are bound by the terms of the CCF in relation to the performance of their obligations under this Code. Defined terms in this section refer to CCF Defined Terms.
28. For the purposes of the self-certification requirements under the CCF, the Parties are required to certify they comply with the obligations set out in Annexure 1.
29. Without limiting each Party's obligations, parties to this Code must keep information they deem necessary to show their compliance with this Code, should it be required.

**K. EXPIRY, REVOCATION AND AMENDMENT OF THE CODE**

30. For the avoidance of doubt, and in accordance with the New Zealand Telecommunications Forum's Operating Procedures Manual, any Forum Member may put a Project Proposal to the Forum Board (at any time) for the amendment or revocation of the Code.

**L. ANNEXURE 1: SELF CERTIFICATION OBLIGATIONS**

As part of the self-certification requirements of the CCF and this Code, parties must certify that they comply with the obligations in Section E: Vulnerable Customers; Section F: Service Provider Obligations; and the minimum timeframes specified in clause 20.

Parties must keep information they deem necessary to show their compliance with this Code, should it be required.