



# Telecom Regulatory Policy CRTC 2013-271

PDF version

Route references: Telecom Notices of Consultation 2012-557, 2012-557-1, 2012-557-2, 2012-557-3, 2012-557-4, and 2012-557-5

Ottawa, 3 June 2013

## The Wireless Code

File number: 8665-C12-201212448

*In this decision, the Commission establishes the Wireless Code, a mandatory code of conduct for providers of retail mobile wireless voice and data services.*

*The Wireless Code will make it easier for individual and small business consumers to get information about their contracts with wireless service providers and about their associated rights and responsibilities, establish standards for industry behaviour, and contribute to a more dynamic marketplace.*

*The Wireless Code significantly limits the early cancellation fees that are currently sought by retail wireless service providers, which will enable consumers to take advantage of competitive offers at least every two years. Among other things, the Wireless Code requires service providers to unlock wireless devices, to offer a trial period for wireless contracts, and to set default caps on data overage charges and data roaming charges.*

*The Wireless Code will take effect on **2 December 2013**, and will apply to all new or amended wireless service contracts from that day forward.*

## Introduction

1. In this decision, the Commission establishes the Wireless Code (or the Code), a mandatory code of conduct for all providers of retail mobile wireless voice and data services (wireless services).
2. The Wireless Code establishes new requirements for wireless service providers (WSPs) to (i) ensure that consumers are empowered to make informed decisions about wireless services; and (ii) contribute to a more dynamic marketplace by making it easier for consumers to take advantage of competitive offers.
3. The **Wireless Code** is set out in **Appendix 1** to this decision.
4. **Your Rights as a Wireless Consumer**, a checklist that highlights the most important aspects of the Wireless Code for consumers, is set out in **Appendix 2** to this decision.

## Overview of the public proceeding

5. In Telecom Decision 2012-556, the Commission determined that it was necessary to establish a mandatory code of conduct for WSPs. The Wireless Code would address the clarity and content of contracts<sup>1</sup> for wireless services and related issues to ensure that consumers are empowered to make informed choices in the competitive market.
6. In Telecom Notice of Consultation 2012-557, the Commission initiated a proceeding to develop the Wireless Code (the proceeding). The Commission asked for comments on (i) the content of the Wireless Code; (ii) to whom the Wireless Code should apply; (iii) how the Wireless Code should be enforced and promoted; and (iv) how the Wireless Code's effectiveness should be assessed and reviewed.
7. The Commission stated its preliminary view that the Wireless Code should address (i) the clarity of WSPs' contract terms and conditions; (ii) changes to these terms and conditions; (iii) contract cancellation, expiry, and renewal; (iv) the clarity of advertised prices; (v) the application of the Code to bundles of telecommunications services; (vi) customer notifications of additional fees; (vii) privacy policies; (viii) hardware warranties and related issues; (ix) loss or theft of hardware; (x) security deposits; and (xi) disconnections. The Commission also called for comments on any other provisions that would enable consumers to better understand their rights with respect to mobile wireless services.
8. The proceeding included a two-phase online consultation to enable individual Canadians to participate easily in the development of the Code. In Telecom Notice of Consultation 2012-557-3, the Commission published the "Wireless Code Working Document" (the Draft Code) to stimulate discussion and debate. The proceeding also included a public hearing, which took place from 11 to 15 February 2013.
9. The Commission received comments from over 5,000 participants, including hundreds of individual Canadians, as part of the online consultation and interventions in the proceeding.
10. The following WSPs participated in the proceeding: Amtelecom Limited Partnership; Bell Aliant Regional Communications, Limited Partnership, Bell Canada, KMTS, and NorthernTel, Limited Partnership (collectively, Bell Canada et al.); Bell Mobility Inc., on behalf of itself, Solo, and Virgin Mobile; Bragg Communications Inc., operating as EastLink (EastLink); Data & Audio-Visual Enterprises Wireless Inc., operating as Mobilicity (Mobilicity); Globalive Wireless Management Corp., operating as WIND Mobile (WIND); Hay Communications Co-operative Limited; Huron Telecommunications Co-operative Limited; Mornington Communications Co-operative Limited; MTS Inc. and Allstream Inc. (collectively, MTS Allstream); Nexicom Mobility Inc.; Northwestel Inc.; People's Tel Limited Partnership; Public Mobile Inc. (Public Mobile); Quadro Communications Co-operative Inc.;

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<sup>1</sup> In the context of this decision, a "contract" is the contractual relationship between the WSP and the customer. It includes terms and conditions, including rates. A "written contract" is a written instrument that expresses the content of the contract.

Quebecor Media Inc. on behalf of Videotron G.P. (Videotron); Rogers Communications Partnership (RCP); Saskatchewan Telecommunications (SaskTel); Sogetel Mobilité inc.; TBayTel; TELUS Communications Company (TCC); and Vaxination Informatique (Vaxination).

11. The following consumer advocacy groups participated in the proceeding: the Consumers Council of Canada (CCC); DiversityCanada Foundation (Diversity); Media Access Canada (MAC) on behalf of the Access 2020 Group of Accessibility Stakeholders; the Mouvement Personne d'Abord du Québec; the Public Interest Advocacy Centre, as well as the Consumers' Association of Canada, and the Council of Senior Citizens' Organizations of British Columbia (collectively, PIAC et al.); the Samuelson-Glushko Canadian Internet Policy and Public Interest Clinic on behalf of its client, OpenMedia.ca (OpenMedia); the Service de protection et d'information du consommateur (SPIC); and l'Union des consommateurs (l'Union).
12. Other participants included the following: the Canadian Wireless Telecommunications Association (CWTA); the Commissioner for Complaints for Telecommunications Services Inc. (CCTS); the Competition Bureau of Canada; Glenn Thibeault, Sudbury, Member of Parliament; the Government of Alberta; the Government of Manitoba's department of Healthy Living, Seniors and Consumers Affairs; the Government of the Northwest Territories; the Government of Ontario; the Government of Quebec through the ministère de la Culture et des Communications and the Office de la protection du consommateur; the Government of Yukon; the Office of the Privacy Commissioner of Canada; Drs. Catherine Middleton, Tamara Shepherd, Leslie Regan Shade, Kim Sawchuk, and Barbara Crow, professors and researchers of Communications studies (collectively, Middleton et al.); and Shaw Telecom Inc.
13. The following individuals appeared at the public hearing: Mr. Terry Duncan; Mr. Glenn Fullerton; Mr. Tana Guindeba; Mr. Nasir Khan; Mr. Michael Lancione; Mr. Allan Munro; Mr. Frederick A. Nakos; Mr. Rainer Schoenen; and Mr. Daniel Sokolov.
14. The public record of this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.

## **Issues**

15. The Commission has taken into consideration all comments made during the proceeding and determines that the following are the key issues to be addressed in this decision:

### **A. Application of the Wireless Code**

### **B. Content of the Wireless Code**

1. Content and clarity of contracts
2. Critical Information Summary

3. Changes to contracts and related documents
4. Caps, notifications, and usage monitoring tools
5. Unsolicited wireless services and mobile premium services
6. Unlocking mobile devices
7. Warranties
8. Repairs
9. Lost and stolen mobile devices
10. Contract length and early cancellation fees
11. Trial period
12. Effective date of cancellation
13. Contract extension
14. Security deposits
15. Disconnection
16. Privacy policies
17. Unlimited services and advertised prices
18. Accommodations for people with disabilities
19. Expiration of prepaid cards

**C. Implementation of the Wireless Code**

**D. Enforcement and administration of the Wireless Code**

**E. Promotion of the Wireless Code**

**F. Measuring and reviewing the effectiveness of the Wireless Code**

**A. Application of the Wireless Code**

***Positions of parties***

16. Consumers who participated in this proceeding were primarily concerned with describing the problems they have encountered with their WSPs and the solutions they wanted the Commission to impose. The experiences they described varied by WSP or type of service arrangement. However, consumers generally agreed that the Code should address their concerns, irrespective of their location or how they got their wireless services.
17. Most consumer groups and WSPs agreed that the Wireless Code should apply to (i) all WSPs, including resellers; (ii) wireless services included in bundles of communications services; and (iii) wireless contracts, whether they are agreed to

in person, over the phone, or over the Internet. None of the parties objected to the application of the Wireless Code as a condition under section 24 of the *Telecommunications Act* (the Act).

18. While all parties agreed that the Wireless Code should protect individual consumers, parties were divided on whether it should apply to small business consumers.
19. Parties were also divided on the Code's application in provinces where similar consumer protection legislation exists. Certain parties, notably Bell Canada et al., the CWTA, PIAC et al., RCP, and TCC, submitted that the Commission has exclusive jurisdiction over wireless services and that, as such, provincial legislation claiming to regulate contracts for these services is invalid. They argued that one national code would lower the costs of compliance and avoid confusion for consumers. Videotron argued that the Code should be suspended in provinces where the Commission determines that provincial legislation provides sufficient consumer protection. Other parties, including Mobilicity, MTS Allstream, OpenMedia, SaskTel, l'Union, and WIND, favoured an approach based on the co-existence of a federal code and provincial legislation. Provinces and territories that participated in the proceeding generally did not believe that suspension of the Code is necessary in provinces where it offers the same or better protections than existing provincial legislation. However, the Province of Quebec submitted that it has exclusive jurisdiction over consumer protection and would continue to apply its provincial law regardless of the outcome of the proceeding.
20. Consumer groups and WSPs agreed that the Code should apply in its entirety to postpaid wireless services, but disagreed on how the Code should apply to prepaid wireless services.<sup>2</sup> Consumer groups supported a symmetrical application of the Code to both prepaid and postpaid services, arguing that all consumers deserve equal protection. The CCC, Diversity, and PIAC et al. argued that consumers with low incomes are more likely to use prepaid services and that these consumers are more easily disadvantaged by WSPs' behaviour.
21. Most WSPs supported a limited application of the Wireless Code to prepaid services. WSPs proposed that prepaid services should be exempt from the application of some or all of the Code. Mobilicity and Public Mobile argued that application of the Wireless Code to their services would unnecessarily jeopardize their business models and threaten the existence of the new entrants. In contrast, WSPs whose business offerings include both prepaid and postpaid models (Bell Canada et al., MTS Allstream, RCP, SaskTel, and TCC) generally supported a more expansive application of the Wireless Code to prepaid consumers.

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<sup>2</sup> Prepaid and postpaid wireless services differ on when the consumer pays for the service. With prepaid services, the consumer purchases the services before using them, and with postpaid services, the consumer purchases the services after using them, usually upon receipt of a monthly bill. Prepaid services include prepaid cards, which offer limited usage with per-minute or per-usage rates, as well as pay-in-advance services, which provide similar functionality to postpaid services.

22. WSPs submitted that there are important differences between prepaid and postpaid services. WSPs argued that consumers of prepaid services require less protection than consumers of postpaid services. The WSPs stated that since consumers using prepaid services pay before use, they cannot experience bill shock.<sup>3</sup> Most WSPs opposed the application to prepaid services of provisions in the Wireless Code related to (i) the content and delivery of written contracts; (ii) bill shock, such as notifications, caps, and monitoring tools; and (iii) service cancellation, security deposits, and disconnection.

### ***Commission's analysis***

23. The Commission is required by the Act to exercise its powers to ensure that the policy objectives set out in the Act are fulfilled. Since 1994, the Commission has not regulated wireless services in as much detail as it does some other telecommunications services, having found that there is sufficient competition to protect the interests of users of wireless services.<sup>4</sup>
24. However, the Commission has retained its powers under section 24 and subsection 27(2) of the Act regarding wireless services to ensure that it has the tools necessary to address instances when market forces alone are not ensuring that the policy objectives in the Act are being met.
25. In Telecom Decision 2012-556, the Commission found that, although it is appropriate to continue to decline to regulate certain aspects of wireless services, including rates and the competitiveness of the marketplace, it is necessary at this time to impose additional measures for consumers, using its powers under section 24 of the Act.
26. In light of this regulatory context and based on the record of this proceeding, the Commission considers that the Wireless Code should apply to all individual Canadian consumers of wireless services equally wherever they reside. The Commission notes that where the Wireless Code is in direct conflict with a valid provincial law, the Wireless Code takes precedence. The Commission considers that such conflicts are minor under current provincial legislation.

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<sup>3</sup> Bill shock occurs when a consumer receives a monthly bill that significantly and unexpectedly exceeds their minimum monthly charge due to overage charges, roaming charges, or other additional fees.

<sup>4</sup> The Commission has the duty under the Act to forbear, in whole or in part, from the regulation of certain types of telecommunications services. It has the power to do so conditionally or unconditionally. The Commission's forbearance framework for retail mobile wireless services was first established in Telecom Decision 94-15, and was refined in Telecom Decision 96-14. In a number of follow-up company-specific decisions and orders, such as Telecom Decision 98-19, Telecom Order 99-991, Order 2001-501, and Telecom Decision 2004-84, the framework was extended to the mobile wireless services provided by Canadian carriers that were not captured by Telecom Decisions 94-15 and 96-14. The Commission retained its regulatory powers under section 24 and subsections 27(2) and 27(4) of the Act for mobile voice services. In Telecom Decision 2010-445, the Commission amended the forbearance framework for mobile wireless data services to be consistent with the forbearance framework for mobile voice services.

27. The Commission also considers that small businesses, given their size and purchasing power, face the same issues as individual consumers with respect to wireless services.<sup>5</sup>
28. With respect to the proposals by some parties to exempt prepaid services from the Wireless Code, the Commission notes that consumers with low incomes are more likely to use prepaid services and that failure to apply the Wireless Code to prepaid services would have an undue impact on these users. The Commission notes that business models can change at any time, and accordingly, considers that it would not be appropriate to exempt specific WSPs from provisions in the Code.
29. Many of the requirements set out in the Wireless Code are necessary to inform and empower consumers of both postpaid and prepaid services. However, the Commission considers that, based on the nature of prepaid services, certain requirements are not necessary to empower consumers of prepaid services.

### ***Commission's determinations***

30. The Commission decides that the Wireless Code will apply to wireless services provided to individual and small business consumers in all provinces and territories regardless of the status and business models of the WSP and whether the wireless services are purchased (i) independently from other services or as part of a bundle of services; and (ii) in person, over the phone, or over the Internet.
31. To address the unique nature of prepaid services, the Commission will exempt prepaid services from the sections of the Wireless Code in which the requirements are not necessary to empower consumers of prepaid services. The Commission will also impose certain unique requirements related to prepaid services designed to achieve an appropriate balance between promoting the interests of Canadians who choose prepaid services and avoiding placing an undue burden on WSPs. These exemptions and unique requirements will be addressed in each section below, and are identified in the Wireless Code itself.

## **B. Content of the Wireless Code**

### **1. Content and clarity of contracts**

#### ***Positions of parties***

32. Consumers were concerned that written contracts related to wireless services were overly long, complex, and difficult to understand, and that important information was hard to find or hidden in the fine print.

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<sup>5</sup> The Commission notes that the CCTS already resolves complaints about wireless services from small businesses and defines a “small business” as a business whose average monthly telecommunications bill is under \$2,500. The CCTS’s definition effectively excludes corporate and commercial accounts, since these account holders are already able, through size and purchasing power, to better negotiate agreements.

33. Consumers submitted that they needed clearer information about specific aspects of their wireless services, such as which services might cause them to incur additional charges, how early cancellation fees apply, and what impact upgrading their device would have on their wireless contract.
34. Consumer groups and WSPs generally agreed that written contracts should be clear, use plain language, and contain all the information necessary for consumers to understand the associated terms and conditions of their contracts.
35. Parties generally agreed that contracts should include clear information relating to (i) the service being provided, including associated limitations; (ii) charges, including the minimum monthly charge for a plan; (iii) additional charges and how they may be incurred; (iv) the mobile device; and (v) the ability of either party to cancel or change the terms and conditions of the contract.
36. Parties also generally agreed that written contracts should include an explanation of which aspects of the contract are the key terms and conditions of the contract (i.e. those that a WSP cannot change without the express consent of the customer). Parties generally agreed that the key terms and conditions of the contract should include (i) the services included in the minimum monthly contract price; (ii) the minimum monthly price; and (iii) the commitment period (the duration of the contract term).
37. Some WSPs such as MTS Allstream submitted that there needs to be a distinction between key or core services and optional services. These WSPs argued that this distinction would enable customers to be aware of the material and core services provided under the contract, and any flexibility to change optional services over the commitment period. Most parties agreed that rates for pay-per-use services not included in the monthly contract price were not key terms and conditions of the contract. The CCC and PIAC et al. argued that optional services, such as voicemail and call display, should be included in the key terms and conditions of the contract both for clarity, and because they form part of the agreement between the customer and the WSP.
38. Parties generally agreed that the Commission should require WSPs to ensure that written contracts and policies governing the terms and conditions or use of wireless services, such as privacy and fair use policies (related documents), use plain language and are presented in a clear and easy-to-read format. Parties also generally agreed that, for contracts agreed to in person, WSPs should be required to provide written contracts to customers at the time of entry into the contract. Parties also generally agreed that, for contracts agreed to over the phone or online, WSPs should be required to provide written contracts to customers within 15 days of the customer agreeing to the contract.
39. Parties disagreed about whether the Commission should require WSPs to provide customers with a paper copy of the contract. Several parties submitted that WSPs should be required to provide a paper copy of the contract to customers upon

request, at no charge. Other parties submitted that it should be sufficient to provide a PDF copy (or a similar permanent electronic format) of the contract via e-mail. They argued that a requirement to provide paper copies was not necessary and would increase WSPs' costs.

40. Some parties proposed that the Commission should require WSPs to provide contracts in alternative formats for people with disabilities upon request, at no charge.
41. Other parties proposed that the Commission should require WSPs to keep a permanent copy of the contract on file to assist with enforcement.
42. With respect to prepaid services, parties agreed that contracts and related documents should be written in plain, easy-to-understand language. Parties did not agree on which items must be addressed in written contracts for prepaid services. WIND argued that instead of being required to provide written contracts listing terms and conditions for wireless services, WSPs should be required to provide a list of the terms of service with every prepaid SIM card.<sup>6</sup> Other WSPs that provide prepaid services, including Mobilicity and Public Mobile, submitted that most of the contract terms and conditions should not apply to prepaid services. Regarding the use of a written contract with prepaid services, some WSPs that provide prepaid services argued that their customers often activate their service online, so there is often no signed contract. These WSPs disputed the relevance of such requirements to their customers. However, parties supported a separate provision in the Wireless Code that would address the information that must be included when prepaid cards are provided.

### ***Commission's analysis***

43. The Commission notes that confusion around contract terms and conditions has been a significant source of consumer frustration. Consumers submitted 2,162 complaints to the CCTS relating to wireless contract disputes in 2011-2012.
44. The evidence from this proceeding shows that despite improvements to the form of contracts by several WSPs, customers continue to be surprised by elements of their contract that they were unaware of, either because the information was hidden in small print, contained in a separate document, or otherwise not brought to their attention.
45. The Commission considers that, even though consumers have a duty to inform themselves about their rights and obligations and have the responsibility to ensure that they protect their economic interests in the wireless marketplace, all contracts should be easy for consumers to read and understand. The Commission further considers that, in order to facilitate consumers' understanding of their contracts with WSPs, certain information should be required to be included in all written wireless

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<sup>6</sup> The SIM (subscriber identification module) card enables a mobile device to connect to a Global System for Mobile communications network.

service contracts. The Commission considers that this minimal information should include (i) how and when the customer can incur additional charges; (ii) what limitations may exist on their services; (iii) how changes to their services will be handled; (iv) how disputes will be handled; and (v) what avenues are available to them if they are not satisfied with their service.

46. Given the different business model for prepaid services, including the decreased risk of bill shock and the transactional nature of the services, the Commission considers that the above-mentioned information can be conveyed through a much shorter and less formal manner than for postpaid services. The Commission notes, however, that if a device is provided as part of the prepaid service, the information WSPs provide customers should be closer to that necessary for postpaid services.
47. The Commission notes that some prepaid services include devices as part of the contract and considers that written contracts for such services must also include information related to (i) the early cancellation fee; (ii) the device provided as part of the contract; (iii) device upgrades; and (iv) the manufacturer's warranty.
48. The Commission considers that all WSPs should indicate in written contracts whether or not the prices include taxes.
49. The Commission notes the important role that a copy of the contract plays in providing a customer proof of the content of their contract as it was agreed to, should a dispute arise. The Commission also notes the evidence on the record of the proceeding that WSPs may not be retaining copies of customer contracts in all cases. Rules requiring WSPs to retain a permanent copy of the contract and provide it to the customer upon request will ensure that customers have the information they need to properly understand their contracts and to make their case should there be a dispute about their service. It is necessary for WSPs to retain a copy of their customers' written contracts for the duration of the commitment period, so that the contract can be produced for the customer or the CCTS in the event of a dispute.
50. When a contract is made in person, providing the written contract to customers is as simple as handing it to them. However, if a contract is not made in person (e.g. over the phone or the Internet), the WSP may need a number of days to send the written contract to the customer.
51. Many consumers maintain electronic records and conduct much of their business online. For these consumers, an electronic copy of the written contract and related documents may be more convenient, as long as the copy still acts as a permanent record and does not rely on links to websites that can be changed by the WSP. The Commission considers that a permanent copy can be a paper copy or an electronic copy, as long as the electronic copy cannot be altered and can be easily read by the customer.

52. However, not all Canadians will be able to use an electronic version of the written contract and related documents. Some consumers may require a paper copy, while Canadians with disabilities may need a copy in an alternative format. While providing these format options may impose some costs on WSPs, the Commission considers that this burden is not undue given the central importance to Canadians of understanding their wireless service contracts. It is important that Canadians have equal access to their contract documents and it would therefore be inappropriate for them to face any additional charges to obtain the documents in these formats. Due to the nature of prepaid card services, it is not necessary to require WSPs to provide a paper copy of the prepaid card contract upon request.

### ***Commission's determinations***

#### *All wireless services*

53. In light of the above, the Commission determines that WSPs must communicate with consumers using plain language. Accordingly, WSPs must ensure that written contracts and related documents present information in a way that is clear and easy for consumers to read and understand, including using an easy-to-read font.
54. The Commission requires WSPs to indicate in all contracts whether or not the prices for services include taxes.
55. WSPs must give customers a copy of the contract in an alternative format for people with disabilities upon request and at no charge at any time during the commitment period.

#### *Postpaid wireless services*

56. The Commission requires WSPs to provide customers with a permanent copy of the contract and all related documents at no charge. If the contract is agreed to in person, these documents must be provided to the customer immediately after the customer agrees to the contract. If the contract is not agreed to in person, these documents must be sent to the customer within 15 calendar days of the customer agreeing to the contract. If a WSP does not give a customer a permanent copy of these documents within these deadlines, or if the terms and conditions of the contract that is sent to the customer conflict with the terms and conditions that the customer agreed to, the customer may, within 30 calendar days of receiving the permanent copy of the contract, cancel the contract without paying an early cancellation fee or any other penalty.
57. WSPs must provide customers with a paper copy of the contract and related documents, unless the customer expressly and knowingly decides that an electronic copy is acceptable.
58. The Commission requires WSPs to ensure that written contracts for postpaid services set out all of the information listed below in a clear manner:

**Key contract terms and conditions:**

- a) (i) the services included in the contract; and (ii) the limits on the use of those services that could trigger overage charges or additional fees;
- b) the minimum monthly charge for services included in the contract;
- c) the commitment period, including the end date of the contract;
- d) if applicable, (i) the total early cancellation fee; (ii) the amount by which the early cancellation fee will decrease each month; and (iii) the date on which the customer will no longer be subject to the early cancellation fee;
- e) if a subsidized device is provided as part of the contract, (i) the retail price of the device, which is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the WSP without a contract; (ii) the amount that the customer paid for the device; and (iii) the fee to unlock the device, if any.

**Other aspects of the contract:**

- f) an explanation of all related documents, including privacy policies and fair use policies;
- g) all one-time costs, itemized separately;
- h) the trial period for the contract, including the associated limits on use;
- i) rates for optional services selected by the customer at the time the contract is agreed to;
- j) whether the contract will be extended automatically on a month-to-month basis when it expires, and if so, starting on what date;
- k) whether upgrading the mobile device or otherwise amending a contract term or condition would extend the customer's commitment period or change any other aspect of the contract;
- l) if applicable, the amount of any security deposit and any applicable conditions, including the conditions for return of the deposit; and
- m) where customers can find information about (i) rates for optional and pay-per-use services; (ii) the device manufacturer's warranty; (iii) tools to help customers manage their bills, including notifications on data usage and roaming, data caps, and usage monitoring tools; (iv) the WSP's service coverage area, including how to access complete service coverage maps; (v) how to contact the WSP's customer service department; (vi) how to make a complaint about wireless services, including contact information for the CCTS; and (vii) the Wireless Code.

59. The Commission determines that WSPs must provide their customers with a permanent copy of the contract at no additional charge (i) at the time that the contract is agreed to; and (ii) at any other time, upon request.

*Prepaid wireless services*

60. The Commission also requires WSPs to inform their customers of all conditions and fees that apply to the prepaid balance. WSPs must explain to their customers how they can (i) check their usage balance; (ii) contact the WSP's customer service department; and (iii) complain about the service, including how to contact the CCTS. WSPs must provide this information separately if it does not appear on a prepaid card or in the written contract.
61. The Commission requires WSPs that provide a device as part of a prepaid service contract to also include information about the following in the written contract:
- a) the total early cancellation fee; the amount by which the early cancellation fee will decrease each month; and the date on which the customer will no longer be subject to the early cancellation fee;
  - b) the retail price of the device, which is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the WSP without a contract;
  - c) the amount the consumer paid for the device;
  - d) the fee to unlock the device, if any; and
  - e) where customers can find information about device upgrades, and the manufacturer's warranty.

**2. Critical Information Summary**

***Positions of parties***

62. Some consumers and consumer groups, including the CCC and PIAC et al., submitted that, in addition to ensuring that written contracts contain all the necessary information for consumers, the Commission should require WSPs to provide a one- or two-page summary of the most important contract terms and conditions for the consumer. These parties submitted that the summary should be structured as a table so that the information is easy to read and understand quickly. These parties generally considered that the summary should explain (i) the commitment period; (ii) the minimum monthly charge and the total monthly charge; (iii) the services included in the plan; (iv) how additional fees could be incurred; (v) how much it would cost to cancel services after one and two years, with clear examples; and (vi) what happens at the end of the contract.

63. Parties disagreed about when WSPs should be required to provide the contract summary, whether WSPs should be able to customize this document, and whether WSPs that provide prepaid services should be required to provide this document at all.
64. The CCC, PIAC et al., and l'Union argued that consumers should be able to request the contract summary at the time of offer so that consumers could compare WSPs' key contract terms and conditions when shopping for wireless services. Consumer groups requested that the Commission impose a specific structure for, and determine the content of, the contract summary.
65. Bell Canada et al., RCP, TCC, and Videotron submitted that significant time and financial investments would be required to implement the contract summary. These parties submitted that the contract summary should be made available only once the contract has been agreed to. WSPs generally submitted that they should be able to personalize the structure and content of the document, and have flexibility in terms of the layout and presentation of the information. MTS Allstream argued that the Code should not be overly prescriptive.
66. Mobilicity and WIND submitted that the requirement to provide a contract summary should not apply to WSPs that provide prepaid services. Public Mobile submitted that most of the information that parties proposed to be included in the contract summary would not apply to prepaid service customers. Mobilicity and WIND both stated that it would simply not be practical to require the provision of a contract summary for prepaid services since these services are sold as packaged goods at non-wireless retail outlets. Mobilicity also submitted that it would be costly for WSPs to generate this document.

### ***Commission's analysis***

67. The record of this proceeding clearly demonstrates that there are certain elements of a wireless service contract that are consistent sources of confusion for consumers and, as a result, consistent sources of disputes between the customer and the WSP.
68. The requirements set out in paragraphs 53 to 61 regarding the content and clarity of contracts are necessary but not sufficient to ensure that consumers have clear and concise information about important aspects of their wireless services.
69. A requirement to provide a Critical Information Summary – a one- or two-page summary of a contract – would greatly help consumers to quickly understand the fundamental aspects of their contracts. However, the contract delivery model of many prepaid services limits the benefits of a Critical Information Summary to consumers, and much of the Summary's content would not apply to prepaid services.
70. The Commission considers that the Critical Information Summary should use plain language and contain, at a minimum, (i) a complete description of all key contract terms, as listed in sections a) to e) in paragraph 58 above; (ii) the total monthly charge for the services; (iii) information on all one-time charges and additional fees; and (iv) information on how to contact the WSP's customer service department and the CCTS with a complaint.

71. The Commission considers that the Critical Information Summary should be provided to customers when the permanent copy of the contract is provided, taking into account contracts agreed to at a distance, described in paragraph 56. The proposal to require WSPs to provide the Summary before a contract has been entered into would involve a significant burden, from both a financial and a resource perspective, and the Commission considers that it is not necessary to require this. However, WSPs may provide the Summary at this stage if they so choose.
72. The Commission considers it reasonable for WSPs to be able to customize the Summary document to reflect other key aspects of their wireless services, as long as all the information required by the Commission is clearly and prominently included. Given the diversity of wireless service offerings, template or standard language cannot capture the specific content of each contract and may in fact impair innovative offerings in the future. The Commission also considers that WSPs should have the flexibility to determine whether the Critical Information Summary will either be a separate document from the written contract or included prominently on the first two pages of the written contract.

### ***Commission's determinations***

73. In light of the above, the Commission requires WSPs to provide a Critical Information Summary to all customers when they provide a permanent copy of the contract for postpaid wireless services.
74. WSPs must ensure that the Critical Information Summary (i) accurately reflects the content of the contract; (ii) does not exceed two pages; (iii) is either a separate document from the written contract or included prominently on the first two pages of the written contract; (iv) is clear and concise, uses plain language, and is in an easily readable font.
75. The Commission determines that WSPs must also ensure that the Critical Information Summary accurately reflects the content of the contract and clearly and prominently contains all of the following: (i) a complete description of all key contract terms and conditions, as listed in sections a) to e) in paragraph 58; (ii) the total monthly charge, including rates for optional services selected by the customer at the time the contract is agreed to; (iii) information on all one-time charges and additional fees; (iv) information on how to complain about the WSP's wireless services, including how to contact the WSP's customer service department and the CCTS.
76. The Commission encourages WSPs to provide a Critical Information Summary for prepaid services where possible, in particular, for contracts made in person.

### **3. Changes to contracts and related documents**

#### ***Positions of parties***

77. Consumers expressed considerable frustration over WSPs' ability to unilaterally change contract terms and conditions, including rates, while consumers are bound by three-year contracts with significant early cancellation fees.

78. Consumers considered that WSPs should not be allowed to unilaterally change contract terms and conditions, and should not change contract terms and conditions without providing prior notice. Consumers also considered that WSPs should allow customers' services to be grandfathered or should allow customers to opt out of contract changes without paying a penalty.
79. Consumer groups and WSPs generally considered that the provisions in the Wireless Code dealing with the WSPs' ability to modify contract terms and conditions during a commitment period should treat "key" contract terms and conditions and "other" contract terms and conditions differently.
80. PIAC et al. argued that changes to key contract terms and conditions to which the consumer does not expressly consent should be prohibited. OpenMedia and PIAC et al. submitted that when customers do not give their consent, the contract should remain unchanged. PIAC et al. added that customers should not have to resort to cancelling a contract to get out of a proposed change.
81. Most WSPs argued that they should be able to change at least some contract terms and conditions without requiring the customer's consent. WSPs' positions varied on whether (i) WSPs should be required to notify customers before changing the contract; (ii) customers should have the right to refuse a change or cancel service as a result of a change; and (iii) indeterminate and fixed-term contracts should be treated differently with respect to whether WSPs can change the contract.
82. WSPs generally submitted that if customers disagree with a change that a WSP proposes, customers should be able to cancel their contract, but not refuse the change. SaskTel and Videotron opposed allowing customers to refuse changes to contract terms and conditions on the basis that this would effectively grandfather all contracts, which would represent a burden for smaller WSPs and add inefficiency to their billing systems.
83. RCP submitted that key contract terms and conditions should be fixed for the commitment period. However, the company argued that some flexibility is needed for optional monthly and pay-per-use services, such as roaming services, that customers can add and remove at their convenience, and for which no customer commitment is made for the contract term.
84. Some parties proposed that the Commission permit unilateral contract changes that benefit the customer, or that do not add to the customer's obligations or take away from the WSPs' obligations.
85. Large WSPs that provide both prepaid and postpaid services generally submitted that requirements related to changing contract terms and conditions should apply to all services. However, other WSPs argued that these requirements should not apply to prepaid services, since there is no customer expectation that the associated contract terms and conditions will remain fixed from month to month.

### ***Commission's analysis***

86. The Commission considers that consumers need certainty that key contract terms and conditions will not change without their express consent during the commitment period. However, the Commission also considers that both consumers and WSPs would benefit from having the flexibility to change key contract terms and conditions when the customer knowingly and expressly finds it acceptable.
87. The Commission notes that for prepaid service contracts, the customer is accepting the key terms and conditions of the contract each time they reactivate their service or top up their account. As such, it is not necessary to prohibit changes to key terms and conditions of such contracts. The Commission expects WSPs that provide prepaid wireless services to clearly publicize any change to their services.
88. However, the Commission considers it necessary to prohibit WSPs from changing the key terms and conditions of postpaid contracts during the commitment period unless a customer expressly consents to the change. The Commission considers that if a WSP seeks to change the key terms and conditions of a postpaid contract, it is essential that customers have available to them as many choices as possible regarding how they can respond to the suggested change. The Commission considers that requiring the customer to either accept the change or cancel the contract, which may involve the customer incurring an early cancellation fee, is insufficient to address consumer concerns. Customers should have the right to refuse a change to key terms and conditions of the contract. The Commission considers that requiring customers to cancel their contract to avoid a contract change would place an undue burden on customers. In addition, limiting customer options to either cancelling their contract or accepting a contract change with which they may disagree would simply perpetuate the imbalance of rights and responsibilities between WSPs and customers that was discussed at length during the proceeding.
89. Regarding whether unilateral contract changes should be permitted if they benefit the customer, or do not add to the customer's obligations or take away from the WSP's obligations, the Commission considers that determining whether a contract change fits these criteria is highly subjective and could vary from one consumer to another. As a result, such a requirement could lead to a number of disputes between customers and WSPs, as well as interpretation issues. Permitting such unilateral changes at the discretion of WSPs could reduce certainty for consumers as to their rights and obligations under the contract. However, the Commission considers that permitting unilateral changes in certain well-defined and limited circumstances could benefit consumers and encourage innovation. The Commission therefore considers it appropriate to permit unilateral changes by WSPs to specific services if there is either (i) a reduction in a service rate; or (ii) an increase in the customer's usage allowance for the service. To ensure clarity for consumers and to avoid consumers being subject to a combination of changes, some of which could be considered disadvantageous on their own, such changes can only be made to a single key term or condition of the contract at one time.

90. The Commission notes that, unlike with key contract terms and conditions, customers do not commit to the other contract terms and conditions for the entire contract term. The Commission considers that it is not reasonable that non-key contract terms and conditions, including rates for pay-per-use and optional services, would remain static during the commitment period when the customer has not committed to taking these services for the entire contract term. For example, requiring express consent from each individual customer for changes to roaming rates or a WSP's privacy policy would be excessively burdensome and would prevent WSPs from innovating in the services they offer. The Commission considers that the above-mentioned principles applicable to contract terms and conditions also apply to the related documents.
91. However, customers need to understand what changes are being made to pay-per-use services, optional services, other non-key contract terms and conditions, and related documents in order to make informed decisions about their wireless services. The Commission considers it appropriate to require that WSPs provide notice to customers before seeking to change non-key terms and conditions of a postpaid contract and related documents. The Commission considers that this notice is a relatively small and appropriate burden on WSPs.

#### ***Commission's determinations***

92. In light of the above, the Commission determines that WSPs must not change the key terms and conditions of postpaid contracts, as defined in sections a) to e) in paragraph 58 above, during the commitment period without the customer's informed and express consent.<sup>7</sup>
93. When a WSP notifies a customer that it intends to change a key contract term or condition during the commitment period, the customer may refuse the change. However, a WSP can change a key contract term or condition without the customer's express consent if it clearly benefits the customer by either (i) reducing the rate for a single service; or (ii) increasing the customer's usage allowance for a single service.
94. The Commission determines that WSPs may change other terms and conditions of the contract and related documents. However, WSPs must provide customers at least 30 calendar days' notice before making such changes. The notice must clearly explain the change and when it will occur.

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<sup>7</sup> In the context of this decision, the Commission uses the term "express consent" to capture the well-established rules around obtaining clear customer consent, including the fact that such consent or agreement cannot be obtained through a default provision or by requiring the customer to "opt out" (also known as a "negative option").

#### **4. Caps, notifications, and usage monitoring tools**

##### ***Positions of parties***

95. Consumers noted that they may be charged fees over and above the minimum monthly charge for their wireless services for a variety of reasons, such as exceeding the usage limits of services that may or may not be included in a wireless service plan (e.g. limits on local voice minutes, long distance minutes, roaming, text messaging, and data usage) or purchasing services or making payments that are not generally included in wireless service plans, such as mobile premium services and mobile donations, respectively.
96. Consumers submitted that bill shock is a serious and widespread problem. They indicated that data charges are the most common source of bill shock because it can be difficult to estimate the quantity of data that various applications consume. Consumers submitted that they can incur data roaming and overage charges unintentionally because of applications that run in the background or by accidentally switching from a wireless Wi-Fi connection to a WSP's network. Consumers also submitted that data overage charges can be incurred rapidly, such as when streaming video content or using other data-intensive applications.
97. Consumers and consumer groups generally submitted that WSPs should be required to (i) provide usage monitoring tools; (ii) notify customers when they are near or at their included usage limits; (iii) inform customers about the costs of additional usage, especially for international roaming; and (iv) set a cap on additional fees.

##### ***International roaming notification***

98. Consumers and consumer groups generally agreed that WSPs should be required to notify consumers when they are roaming internationally and that this notice should inform consumers of the rates for voice, text, and data services while roaming.
99. WSPs generally supported the inclusion of such a requirement in the Wireless Code.

##### ***Usage notifications and usage monitoring tools***

100. Consumers submitted that WSPs should send their customers usage notifications to help them manage their wireless service usage. Consumer groups submitted that notifications should be required before overage charges are incurred for all services, including calling and text messaging services, to maximize consumer control over their usage and associated charges.
101. Some consumers submitted that they should also be given tools to monitor their usage. L'Union submitted that WSPs should be required to install real-time usage-monitoring applications onto devices. In contrast, the Ontario Ministry of Consumer Services submitted that consumers should be notified of potential overage charges, rather than be expected to use monitoring tools on their own initiative. The CCC

submitted that most consumers believe that WSPs are responsible for notifying their customers of excess usage, and that few consumers believe that they should monitor their own usage.

102. Most WSPs agreed that usage notifications would benefit consumers, but submitted that it would be a significant burden on many WSPs to provide real-time usage notifications at this time. WSPs submitted that it would be particularly difficult to provide real-time notifications for international roaming usage, since usage details may not be delivered until several hours after the usage has occurred. WSPs submitted that notifications regarding any national usage would be delivered to customers in near real-time.
103. WSPs submitted that notification requirements should be limited to cases of excess data usage and the triggering of international roaming. WSPs submitted that notifications related to excess usage of calling and text messaging services are not necessary since the amount of usage for these services is intuitively understood. The WSPs argued that calling and text messaging plans have abundant allowances and that exceeding these allowances is not likely to cause bill shock.
104. WSPs submitted that if usage notifications are required, WSPs should be permitted to decide when and how they notify their customers of potential overage charges.
105. Many larger WSPs submitted that they offer usage monitoring tools, and agreed that these tools should be required by the Wireless Code. However, some smaller WSPs submitted that imposing a requirement to develop such tools would be a significant burden for them and that these tools would offer little or no benefit to their customers. Videotron submitted that these tools should reside on the customer's device rather than in the network, and could take the form of applications or other innovative on-device software.
106. WSPs expressed concern about requiring notifications or monitoring tools to work in real-time, especially for international roaming usage. MTS Allstream submitted that any provisions or requirements in the Wireless Code regarding notifications should be less prescriptive to minimize the burden on WSPs.
107. WSPs that provide prepaid services, including Mobilicity, argued that bill shock exists only in the postpaid environment, because prepaid service customers cannot incur unanticipated charges. Mobilicity and Public Mobile submitted that they should not be required to implement notifications given that their customers are not charged overage charges. Mobilicity also argued that the provision of notifications would represent a significant burden for small WSPs to implement.

#### *Caps on service charges*

108. Consumers argued that imposing a cap on data roaming charges and overage charges is necessary to help them manage their wireless service charges, and would be particularly helpful for people with limited incomes. Consumers considered that they should be able to customize the amount of the caps.

109. Consumer groups submitted that the Commission should require a customizable cap on all wireless services, set at \$50 by default, to provide consumers with greater control over their wireless service charges.
110. WSPs submitted that they should not be required to cap usage charges because this could result in an undesirable suspension of consumers' wireless services and that usage notifications are sufficient to meet consumers' needs. Some WSPs submitted that if a cap were required by the Wireless Code, it should (i) apply to data charges only; (ii) be higher than \$50; and (iii) require that consumers opt in to the cap. Mobilicity and Public Mobile submitted that they should not be required to implement a cap on overage charges given that their customers cannot incur these charges.
111. WSPs submitted that if the amount of the cap were determined by the consumer or set at a default of \$50 and would apply to all wireless services combined, this would represent an undue burden for them. Specifically, they argued that enabling consumers to individually determine the amount of their own cap would pose serious challenges for billing systems. WSPs also expressed concern that grouping multiple types of services (i.e. texting, calling, and data services) together into one cap would be difficult and costly to implement.
112. WSPs that provide prepaid services, including Mobilicity, argued that since prepaid service customers cannot incur bill shock, prepaid service providers should not be required to provide data caps. Mobilicity also argued that notification requirements would represent a significant burden for small WSPs to implement.

### ***Commission's analysis***

113. The Commission recognizes that bill shock is a serious problem for all consumers. When a consumer receives a bill that is unexpectedly many times greater than their normal monthly bill, it can be a source of considerable concern.
114. The record of the proceeding indicates that data usage is less intuitive for consumers than voice and text usage. The complexity of data usage is illustrated by the variability in bandwidth requirements for a number of commonly accessed online services.<sup>8</sup> The Commission considers that, at this time, the average consumer may not be able to fully understand the implications of their use of online services on the amount of data they are using and how these services relate to the data limits of their wireless service plan.
115. The Commission considers that requiring WSPs to clearly inform consumers of the usage allowances of their voice and text messaging services in their written contracts and the Critical Information Summary is sufficient to help consumers manage their voice and text messaging usage. The cost of voice and text messages has, over time, become more intuitive to consumers.

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<sup>8</sup> See Table 4.5.2 Bandwidth used by online video and audio services, CRTC Communications Monitoring Report 2012.

116. However, the Commission considers that consumers need additional tools that will notify them when they are roaming internationally, and that will help them manage their domestic data overage charges and their international data roaming charges.

*International roaming notification*

117. When entering another country, a consumer is unlikely to have their wireless service contract information available to them. As such, a notification from the WSP explaining the rates for voice, text, and data roaming services would greatly increase consumers' understanding and ability to manage their usage of these services while abroad.
118. The Commission considers it necessary to require WSPs to provide notifications when the customer enters an international roaming area, including information on the rates that will be charged for voice, text, and data services.
119. Many prepaid services do not allow access to international roaming services. However, the Commission considers that where prepaid customers are able to use their device internationally, the WSP should be required to provide this notification.

*Usage notifications and usage monitoring tools*

120. The Commission notes that consumers want to monitor their wireless service usage to avoid excessive overage charges.
121. The Commission considers that usage monitoring tools could help consumers manage their bills and prevent bill shock. Many, but not all, WSPs provide usage notifications or monitoring tools, and other companies also provide usage monitoring tools. Innovation is also leading to the availability of usage monitoring applications on smartphones.
122. Both usage notifications and usage monitoring tools require action and active monitoring from consumers to prevent bill shock. As well, due to current technological limitations, usage notifications, such as text messages, may not always reach the customer, and usage monitoring tools may report a usage level that is several hours behind the real-time usage level, during which time the customer may have incurred significant additional charges. As a result, receipt of usage notifications or the availability of usage monitoring tools, while useful for consumers, does not target the fundamental solution to bill shock, namely providing consumers with cost certainty when using data services.
123. WSPs that do not provide real-time notifications or monitoring tools submitted that it would be a significant burden for them to provide such tools. These WSPs submitted that it would take up to two years and significant financial investments for them to provide such real-time information to customers.

124. Accordingly, while the Commission considers that such tools would be beneficial to consumers, it considers that a requirement to provide usage notifications or usage monitoring tools is not the best solution to prevent bill shock.
125. However, the Commission expects WSPs to offer usage notifications and usage monitoring tools in the future to respond to consumer concerns. The Commission considers that allowing WSPs to determine how and when they provide usage notifications will enable them to respond to technological changes and to determine when these notifications are most useful for their customers.

#### *Caps on service charges*

126. The Commission notes that, unlike usage notifications or usage monitoring tools, a cap that prevents consumers from inadvertently incurring additional charges over a set amount in a billing cycle would ensure cost certainty for consumers.
127. It is not necessary to cap voice or text messaging service charges since the use of these services is generally well understood and managed by consumers.
128. However, the record of the proceeding indicates that excess usage of data services, which can result in data overage charges or data roaming charges, are the most significant source of bill shock for consumers. The Commission considers that consumers need new tools to manage their monthly bills regarding excess usage charges for data services. The Commission considers it necessary for WSPs to offer consumers the ability to limit their data charges in cases where they could incur data overage charges or data roaming charges. In this regard, the Commission notes that while customers using postpaid services could incur such charges, customers using prepaid services could not, due to the nature of the business model.
129. The Commission considers that WSPs should provide a cap on data charges by default. The Commission also considers that if a consumer reaches a data cap, they should have the option to expressly consent to pay additional charges in that monthly billing cycle. The Commission notes that under such a requirement, WSPs would not be required to suspend data services once a cap is reached.
130. Although WSPs argued that it would be a significant burden for them to implement a cap on data charges, the Commission considers that imposing a requirement for WSPs to provide a cap on data roaming charges and a cap on data overage charges is the most appropriate way to prevent bill shock. The Commission also considers that it would not be an undue burden for WSPs to cap charges for such services. The evidence provided by the WSPs in the proceeding regarding the burden of imposing a cap was related mainly to the problems involved in (i) imposing a cap across the entire bill; (ii) customizing the cap for individual customers; and (iii) applying a cap to services such as text messaging and voice services, for which the benefits to consumers would be minimal. The caps imposed in the Wireless Code (i) are much more narrow and focused than those proposed by some parties; (ii) constitute less of a burden for WSPs; and (iii) represent a proportionate and minimally intrusive means of addressing bill shock. Preventing bill shock benefits both customers and WSPs.

131. The Commission notes the WSPs' concern that an industry-wide requirement to combine multiple services into one cap or enable each customer to have a customizable cap would be overly complex to implement and may not be feasible. Accordingly, the Commission considers it appropriate to require WSPs to provide a distinct cap with a predetermined limit for (i) data charges that are incurred on the network of the carrier to which the customer is subscribed (a data overage cap); and (ii) domestic and international data roaming charges that are caused by data usage on another carrier's network (a data roaming cap).
132. In evaluating appropriate levels for these caps, the Commission has considered prevailing market conditions, including roaming and data overage rates, the average monthly bill amount for wireless service customers, as well as the evidence filed on the record of the proceeding. The Commission considers that a monthly \$50 cap on data overage charges will enable consumers to use a moderate amount of data over and above what they are subscribed to, while empowering them to prevent significant unintentional charges.
133. The Commission notes that data roaming rates tend to be significantly higher than data overage rates. As such, it is reasonable that the data roaming cap be higher than the data overage cap. The Commission considers that a monthly data roaming cap of \$100 strikes an appropriate balance between the need for consumers to have cost certainty and their desire to have continuous service while travelling.
134. The Commission notes WSPs' arguments that certain customers regularly and purposefully use services that result in data overage charges or data roaming charges, and that a cap would be an undue burden on these customers. In order to address this situation, the Commission considers that for both data roaming and data overage caps, WSPs may choose to provide additional options for these consumers, such as suitable data packages or the ability to knowingly and expressly opt out of such a cap.
135. The Commission notes that the lack of unanticipated charges is one of the main reasons that consumers choose prepaid services. Prepaid service customers cannot generally be charged overage charges or have the ability to self-select a cap on their service since they carry a limited balance. As such, these data cap requirements do not apply to prepaid services. However, the Commission notes that pay-in-advance models are widely used and do allow for potential data overage charges and data roaming charges. Accordingly, the Commission expects that for these prepaid services, WSPs should provide their customers with bill management tools.

### ***Commission's determinations***

136. In light of the above, the Commission requires WSPs to suspend national and international data roaming charges once they reach \$100 within a single monthly billing cycle, unless the customer explicitly and knowingly consents to pay additional charges.

137. The Commission also requires WSPs to suspend data overage charges once they reach \$50 within a single billing cycle, unless the customer explicitly and knowingly agrees to pay additional charges.
138. The Commission requires WSPs to provide these caps at no additional charge.
139. The requirement to provide these caps applies to postpaid services.
140. The Commission determines that WSPs must notify customers when their device is roaming in another country. The notification must clearly explain the associated rates for voice, text messaging, and data services. WSPs must provide this notification at no additional charge. Customers should be able to opt out of these notifications at any time. The Commission also determines that these notifications must be provided to all prepaid and postpaid customers whose devices are able to roam internationally.
141. The Commission will not impose a requirement to provide usage notifications or usage monitoring tools. In cases where customers could incur data overage charges or data roaming charges, the Commission expects WSPs to offer these customers tools to monitor their usage. The Commission will monitor the availability of such tools going forward.

## **5. Unsolicited wireless services and mobile premium services**

### ***Positions of parties***

142. Some consumers submitted that they had been charged for mobile premium services (MPS) without their consent and raised concerns about a lack of clarity surrounding these services. MPS are text messaging services charged at a premium rate, usually on a per-message basis. Some of the most common MPS include jokes, horoscopes, chat, sports and weather updates, trivia games, and contests.
143. Parties generally agreed that the Wireless Code should require that WSPs not charge consumers for any device or service that the consumer has not expressly purchased.
144. Mr. Sokolov submitted that MPS should be disabled by default for all consumers. PIAC et al. submitted a number of proposals on how to address issues surrounding MPS, including requiring WSPs to (i) immediately cancel any MPS subscription upon a customer's request; (ii) waive charges for first-time customer disputes; and (iii) provide detailed billing and contact information regarding all MPS-related charges. The Competition Bureau submitted that it initiated legal proceedings related to the disclosure and transparency of MPS pricing in September 2012.
145. WSPs submitted that they cannot cancel MPS subscriptions but can inform customers of how to unsubscribe from MPS. RCP submitted that the wireless service industry has introduced several measures to reduce the number of complaints related to MPS.

### ***Commission's analysis***

146. The Commission agrees that WSPs must not charge consumers for any device or service that the consumer has not expressly purchased.
147. MPS-related issues were a major source of consumer complaints to the CCTS last year. The Commission considers that consumers need clear and accurate information about the pricing, terms, and conditions of MPS to avoid unwanted related charges.
148. The wireless service industry has recently introduced measures to reduce the number of MPS-related complaints. The legal proceedings initiated by the Competition Bureau aim to seek corrective action related to MPS, which the Commission expects will address any remaining concerns. The Commission intends to monitor the outcome of the above-mentioned legal proceedings and the volume of MPS-related complaints to the CCTS to determine whether future Commission action is necessary.
149. However, the record of the proceeding shows that customers often do not understand how MPS work or how to unsubscribe from these services. Since WSPs are the ones that bill customers for MPS, WSPs are often the first point of contact for customers who are charged for these services. WSPs therefore play an important role in educating their customers about MPS so that customers can avoid unwanted charges in the future. The Commission notes that this education role for WSPs would impose a very small incremental burden on them while providing a clear benefit to consumers.

### ***Commission's determinations***

150. In light of the above, the Commission determines that WSPs must not charge consumers for any device or service that the consumer has not expressly purchased.
151. The Commission requires WSPs to explain to customers how to unsubscribe from MPS upon receiving an inquiry from a customer about MPS-related charges.

## **6. Unlocking mobile devices**

### ***Positions of parties***

152. The provision of locked devices was one of the most significant sources of consumer frustration with wireless services.
153. Consumers noted that most devices sold by WSPs are locked, whether the devices are purchased at full price or subsidized as part of a wireless contract. Consumers also noted that they cannot use locked devices to subscribe to the services of another WSP, in Canada or internationally, unless they purchase an unlocking service from the WSP or a third party.

154. Consumers submitted that device locking makes it difficult to take advantage of competitive offers available in the Canadian marketplace and limits their ability to avoid roaming charges while travelling abroad because it prevents them from using another WSP's services.
155. Consumers submitted that WSPs should be required to either (i) sell all devices unlocked; or (ii) unlock devices under reasonable terms and conditions, and for a reasonable price. Consumers further submitted that although third-party unlocking services are widely available, they can void the manufacturer's warranty on the device. Consumers argued that devices purchased at full price from a WSP should be sold unlocked.
156. The Competition Bureau, Mr. Sokolov, OpenMedia, l'Union, and Vaxination submitted that WSPs should be required to sell all devices unlocked. The Competition Bureau submitted that locked devices are an obstacle to consumers who wish to switch WSPs and that unlocking fees create switching costs for consumers.
157. The CCC, OpenMedia, and PIAC et al. submitted that consumers should be able to use their devices unlocked from the day they receive them, and that the fee for unlocking should be reasonable. PIAC et al. submitted that WSPs should not be permitted to void warranties on unlocked devices.
158. Most WSPs submitted that devices must be locked to reduce the risks of subscription fraud. WSPs submitted that they provide substantial subsidies for devices they offer under contract, and that locking helps to ensure that WSPs are able to recover the device subsidy over the term of a contract. WSPs also submitted that locking helps to ensure that highly desirable devices intended for Canadian consumers are not sold to consumers in other countries by third parties.
159. Most WSPs submitted that they offer unlocking services to their customers, which vary in their rates, terms, and conditions. For example, WIND submitted that it charges \$10 for its unlocking service while Bell Canada et al. submitted that they charge \$75. TCC submitted that it allows unlocking after 90 days, while Bell Canada et al. submitted that they unlock devices once the contract term has elapsed. Videotron submitted that it does not offer an unlocking service.
160. Most WSPs agreed that it would be reasonable for the Commission to require WSPs to make an unlocking service available to their customers after a 90-day trial period at a rate specified in the contract and the Critical Information Summary, provided that the customer's account is in good standing. Conversely, Videotron submitted that WSPs should not be required to provide unlocking services since this would be costly to implement and unnecessary given that these services are already available from third parties.
161. Mobilicity argued that the requirement to provide unlocking services should only apply in cases where the WSP has provided a locked device to the customer.

### ***Commission's analysis***

162. The Commission considers that locked devices can be a barrier for customers who want to migrate to a competing WSP or subscribe to services from a foreign WSP while travelling abroad. Locked devices do not, therefore, contribute to a more dynamic marketplace. However, WSPs have provided evidence that locking may be necessary at the start of the customer's contract to limit subscription fraud, in some circumstances.
163. The Commission considers that requiring WSPs to make an unlocking service available once a customer relationship has been established and maintained for a reasonable amount of time will, technology permitting, enable consumers to use their device with services from the WSP of their choice and enable WSPs to mitigate any risks associated with unlocked devices.
164. The Commission therefore considers that WSPs should make an unlocking service available to customers who have been subscribed to their services for 90 days, at a rate specified in the contract and Critical Information Summary.
165. The Commission also considers that unsubsidized devices, which are fully paid for, should be unlocked immediately upon request, given that the risk of subscription fraud is not relevant in these circumstances.
166. The Commission considers that the evidence on the record of the proceeding does not show any relevant difference between prepaid and postpaid services with respect to unlocking and therefore considers that the above-mentioned requirements should apply to prepaid services that include the provision of a device to customers.
167. The rates charged for unlocking a device vary among WSPs. Requiring WSPs to disclose their unlocking service charge in the Critical Information Summary will enable consumers to make fully informed decisions and allow WSPs to keep unlocking service rates a point of competitive differentiation. Further, the Commission notes that it is necessary to require that all WSPs provide unlocking services, given that unlocking services provided by third parties may void a manufacturer's warranty.

### ***Commission's determinations***

168. In light of the above, the Commission finds that a WSP that provides a locked device to a customer as part of a wireless service contract must, (i) if the device is subsidized, unlock the device, or give the customer the means to unlock the device, upon request, at the rate specified by the WSP, no later than 90 calendar days after the contract start date; and (ii) if the device is unsubsidized, unlock the device, or give the customer the means to unlock the device, upon request, at the rate specified by the WSP at any time during the contract. The rate for the WSP's unlocking service must be clearly stated in the written contract and the Critical Information Summary.

169. The Commission determines that this requirement applies to prepaid services in cases where a device is provided by the WSP.

## **7. Warranties**

### ***Positions of parties***

170. Consumers expressed concern that WSPs were promoting their own service plans and warranties without first clearly informing customers of existing manufacturers' warranties on their mobile device. Consumer groups submitted that warranty information should be disclosed in WSPs' contracts and that unlocking a device should not void the device's warranty. Consumers also submitted that device warranties should be required to last for the duration of the contract.

171. Parties generally agreed that the Commission should require WSPs to inform their customers of any manufacturer's warranty on devices before offering an extended warranty.

172. WSPs submitted that they should not be required to include manufacturer's warranty information in their wireless service contracts because this would duplicate the information that is already provided with the device. WSPs also submitted that they should not be required to provide warranties for the duration of the contract because manufacturers' warranties are not provided by WSPs, but by manufacturers.

### ***Commission's analysis***

173. The Commission considers that consumers who are not properly informed of existing manufacturers' warranties may be persuaded to buy unnecessary additional warranties from WSPs.

174. The Commission considers that requiring WSPs to disclose manufacturers' warranties before offering extended warranties or other related insurance will enhance clarity for consumers. WSPs should explain, in the contract, how consumers can obtain information on WSPs' extended warranties and other related insurance.

175. The Commission considers that imposing any requirements on device manufacturers' warranties is outside the scope of the proceeding. Further, extended warranties and insurance are available from many WSPs. The competitive marketplace is appropriately responding to consumer demand for such extended warranties and insurance.

### ***Commission's determinations***

176. In light of the above, the Commission requires WSPs to notify customers of the existence and duration of a manufacturer's warranty on a device before offering an extended warranty or other related insurance on that device. The Commission also requires WSPs to explain, in the written contract, where their customers can find information on the WSPs' extended warranties or other related insurance. This requirement applies equally to prepaid and postpaid services.

## **8. Repairs**

### ***Positions of parties***

177. Consumers submitted that they should not be billed for wireless services while their device is being repaired and they are not able to use the service.
178. Parties generally agreed that the Commission should require WSPs to suspend wireless service charges while devices are being repaired, provided that (i) the device is returned to the WSP for repair; (ii) the device is covered by a warranty from the manufacturer or the WSP; (iii) the WSP did not provide a free replacement device; and (iv) the damage is covered under the warranty.
179. The CCC submitted that any temporary replacement devices offered while a customer's device is being repaired should be comparable or superior to the device being repaired. RCP submitted that device repairs typically take two weeks and that such a requirement would be a burden on WSPs and would provide little benefit to consumers.
180. Mobilicity and Public Mobile submitted that they should not be required to suspend wireless service charges during device repairs because their customers can unsubscribe from their services at any time without incurring an early cancellation fee.

### ***Commission's analysis***

181. Consumers are concerned about being charged for wireless services they cannot use while their devices are being repaired.
182. The Commission considers that the option to cancel service with a requirement to pay an early cancellation fee is not a sufficient remedy for a customer whose device is temporarily unavailable due to valid repairs. The Commission also considers that suspension of charges during repairs when it is not possible for the customer to use the service is not unduly burdensome.
183. A requirement to suspend a customer's services while their device is being repaired is reasonable on the conditions that (i) the device is covered by a warranty; (ii) the device is returned to the WSP for repair; and (iii) the WSP did not provide a free replacement device for use during the repair.
184. The Commission notes that some customers can cancel their wireless service without paying an early cancellation fee. These customers have the option to cancel their wireless services if they don't have access to a functioning device. The Commission considers that the requirement to suspend wireless service charges should apply to both prepaid and postpaid service customers in cases where the customer would incur an early cancellation fee if they were to cancel their service. Prepaid service customers face the same potential harm as postpaid service customers. The conditions for suspending wireless service charges are limited enough to minimize the burden on WSPs that provide prepaid services.

185. Due to the temporary nature of device repairs, requiring specific replacement devices would result in a burden for WSPs that is not proportionate to the benefits for consumers.

### ***Commission's determinations***

186. In light of the above, WSPs must suspend wireless service charges while their customers' devices are being repaired, provided that the following four conditions are met:

- a) the device was provided as part of a contract with the WSP and is returned to the WSP for repair;
- b) the device is under the manufacturer's or WSP's warranty;
- c) the WSP did not provide a free replacement device for use during the repair; and
- d) the customer would incur an early cancellation fee if they were to cancel their wireless services.

## **9. Lost and stolen mobile devices**

### ***Positions of parties***

187. Consumers submitted that the loss or theft of a mobile device is a significant concern. Specifically, consumers expressed concern about their liability for potential unauthorized charges while their mobile device was lost or stolen and potential privacy violations due to unauthorized access to personal information that is stored on the mobile device.

188. Consumers also sought clarity about their options to continue with or cancel their contracts if their phone is lost or stolen, given that they cannot use their wireless services until they find or replace their device. The CCC, PIAC et al., SPIC, and I'Union submitted that the Wireless Code should require WSPs to clearly set out any charges imposed when mobile devices are lost or stolen in a customer's written contract.

189. Parties generally agreed that if a mobile device is lost or stolen, the WSP should suspend the services associated with that device, provided the customer gives notice of the loss or theft.

190. WSPs argued that for customers under fixed-term contracts, minimum monthly charges should continue unless the customer cancels the contract. PIAC et al. submitted that there should be a cap on any fees charged when a mobile device is lost or stolen, and that consumers should not be liable for any charges incurred after the device has been stolen.

191. Some WSPs that provide prepaid services, including Mobilicity, argued that if customers purchase their device separately from the contract, the WSP should not be responsible for suspending charges for a device that is lost or stolen.
192. The CWTA submitted that over 400,000 mobile devices were lost or stolen in 2011, and that the majority of those were lost. The CWTA indicated that the number of reports of lost or stolen mobile devices has been declining, and that CWTA members are in the process of joining an international database to track lost and stolen mobile devices to help deter theft.

### ***Commission's analysis***

193. The Commission notes that most parties agreed that the Code should address consumers' rights and responsibilities when their mobile device is lost or stolen, but there was no consensus on the appropriate limit on consumers' liability in these situations.
194. The loss or theft of a mobile device is a significant inconvenience for consumers. It can be a considerable expense for consumers to purchase a replacement smartphone or other mobile device, and not all consumers are able to do so immediately. In addition, because of the wide-ranging functionality of mobile devices, if a mobile device is lost or stolen, there is a significant risk that charges could be authorized by someone other than the customer. These charges, whether for data usage, roaming, long distance, or premium services, could be substantial and therefore extremely harmful for consumers. Consumers should have the ability to suspend the services associated with a lost or stolen mobile device while they are unable to use these services and to reactivate the suspended services at no additional charge. Service suspension would enable customers to avoid charges incurred without their authorization and permit the customer to restart service should their device be located. The Commission notes that some WSPs already offer their customers the ability to suspend and reactivate wireless services at no charge, upon receipt of notification that a device has been lost or stolen.
195. While their wireless services are suspended, customers should be required to pay either the minimum monthly charge if they continue with the contract or the early cancellation fee if they cancel the contract. The Commission considers that customers are liable to pay all charges incurred before they notify the WSP that their device was lost or stolen. The Commission also considers that responsibility rests with consumers to notify WSPs when their device has been lost or stolen. The ability of consumers to cancel their contract or maintain their services does not change when a mobile device is lost or stolen. As such, the Commission considers that the increased clarity provided by the Code with respect to contract cancellation and early cancellation fees is sufficient to enable consumers to make informed choices.
196. The risks related to lost and stolen devices exist for both prepaid and postpaid service customers. Regardless of the type of contract, consumers can lose access to services if their device is lost or stolen. There can be a significant financial impact on prepaid

service customers, whether due to depletion of their account balance or the unauthorized use of their wireless services. As a result, the requirements related to lost or stolen mobile devices should apply equally to prepaid and postpaid services.

197. The Commission considers that the actions taken by WSPs to join an international database to track lost and stolen mobile devices will help address consumer concerns relating to lost and stolen devices.

### ***Commission's determinations***

198. In light of the above, the Commission requires WSPs to suspend the service at the customer's request and at no charge upon receiving notice from the customer that their device has been lost or stolen.
199. The Commission determines that while the service is suspended, the terms and conditions of the contract will continue to apply, including the customer's obligation to pay (i) all charges up until the WSP received notice that the device was lost or stolen; and (ii) either the minimum monthly charge, if the customer continues with the contract, or the applicable early cancellation fee, if the customer cancels the contract.
200. The Commission further determines that upon receiving a request from the consumer to restore the service, the WSP must do so at no charge.

## **10. Contract length and cancellation fees**

### ***Positions of parties***

201. Consumers' most significant concerns in this proceeding related to the length of wireless service contracts and the early cancellation fees that consumers may be required to pay if they want to cancel their contract before the end of the commitment period.

### ***Contract length***

202. Many consumers submitted that three-year contracts (i) prevent them from taking advantage of the competitive market; (ii) are a barrier to keeping pace with technological progress; and (iii) are not consistent with the two-year contracts that are generally found in other countries. Consumers also expressed concern that device performance often degrades rapidly after two years, and that manufacturers' warranties often last only one year. Consumers submitted that the Commission should ban three-year contracts and limit the maximum length of all wireless contracts to two years. Consumer groups, Mobilicity, and WIND also supported limiting contract duration for the reasons described above.
203. Most WSPs submitted that the Wireless Code should not limit contract duration primarily because three-year contracts allow for low device pricing. Bell Canada et al., RCP, SaskTel, and TCC, submitted that limiting the duration of

contracts would raise prices and limit consumer choice. These WSPs argued that it was not necessary to limit contract length because customers can cancel their contracts at any time by paying early cancellation fees.

204. Bell Canada et al. submitted evidence showing that devices older than two years are active on its network. Bell Canada et al. also submitted that the duration of contract terms is not within the scope of this proceeding and that Canadians replace devices every 2.5 to 2.75 years, which confirms that three-year contracts are not a barrier to Canadians having access to new and innovative technology. MTS Allstream submitted that three-year contracts are the most popular option with their customers despite the fact that the company offers competitive one- and two-year contracts.

#### *Early cancellation fees*

205. Consumers generally submitted that (i) calculating early cancellation fees is confusing; and (ii) early cancellation fees should only recover the subsidy costs of a mobile device and other small nominal fees. Many consumers submitted that high early cancellation fees lock them into disadvantageous commitments and limit their ability to switch WSPs. The Competition Bureau submitted that high cancellation fees create a significant switching cost for consumers, which in turn harms competition and reduces consumer welfare.
206. Some consumers submitted that monthly bills should indicate the exact date on which the contract term expires and how much it would cost the consumer if they were to cancel their service that month. Consumers also submitted that there should be no hidden fees for cancelling wireless services. In particular, consumers raised concerns about certain WSPs charging additional early cancellation fees for cancelling data packages.
207. Parties generally agreed that the Commission should determine how early cancellation fees should be calculated.
208. Parties also generally agreed that when devices are provided as part of a fixed-term or indeterminate contract, the early cancellation fee should be limited to the outstanding cost of the device pro-rated on a monthly scale.
209. Bell Canada et al., the CWTA, Mobilicity, MTS Allstream, PIAC et al., RCP, TCC, and l'Union generally endorsed the following approach for calculating early cancellation fees, which is mostly consistent with the formulas found in provincial legislation:
- i. For fixed-term service with a subsidized device: early cancellation fees may not exceed the sum of (i) any outstanding amount due for wireless services provided up to the effective cancellation date, plus (ii) any outstanding cost for the device.

- ii. For fixed-term service without a subsidized device: early cancellation fees may not exceed the sum of (i) any outstanding amount due for wireless services provided up to the effective cancellation date, plus (ii) the lesser of \$50 or 10 percent of the monthly rate for the remaining months of the contract term.
  - iii. For indeterminate service with a subsidized device: early cancellation fees may not exceed the sum of (i) any outstanding amount due for wireless services provided up to the effective cancellation date, plus (ii) any outstanding cost for the device. The cost of the device is calculated over a 48-month period.
  - iv. For indeterminate service without a subsidized device: WSPs must not charge an early cancellation fee.
210. The CCC, the Competition Bureau, EastLink, WIND, and Mr. Sokolov submitted that early cancellation fees should be limited to the outstanding cost of the device. The CCC, OpenMedia, PIAC et al., and Mr. Sokolov opposed calculating this fee over 48 months, arguing that this length of time was too long. PIAC et al. also submitted that in many cases, a 48-month period overcompensates WSPs for the cost of the device. OpenMedia submitted that the proposed early cancellation fee calculation would maintain (i) the non-transparent pricing of devices, which impedes informed consumer choice; and (ii) high costs for switching wireless services.
211. TCC submitted that any early cancellation fee formula set by the Commission should be a maximum, which would allow competitors to set lower early cancellation fees if they chose to do so.
212. WSPs generally submitted that prepaid services do not charge early cancellation fees, and that, therefore, this section of the Code should not apply to prepaid services.
213. SaskTel submitted that early cancellation fees should enable WSPs to recover the cost of acquiring the customer, in addition to any costs associated with providing a device at a discounted rate. In contrast, the CCC argued that the early cancellation fee should not be a tool for WSPs to compensate for the cost of acquiring or losing a customer.
214. The Competition Bureau and OpenMedia argued that consumers should be able to continue paying off their devices after switching WSPs. The Competition Bureau also submitted that consumers should have the flexibility to determine their own payment schedule, as is permitted with other forms of credit.

### ***Commission's analysis***

#### ***Contract length***

215. Consumers considered that three-year contracts combined with significant early cancellation fees make it difficult for them to change WSPs and keep pace with technological progress. Many consumers requested that the Commission ban three-year contracts and limit contracts to two years to address this problem.

216. The Commission considers that consumers should be able to switch WSPs, upgrade devices, and take advantage of competitive offers at least every two years, in order to contribute to a more dynamic wireless marketplace and to enable consumers to take advantage of technological advances. In this regard, the Commission notes Bell Canada et al.'s submission that a portion of its customers' devices are at least two years old. However, the record of the proceeding indicates that while such devices may continue to be functional, they are less likely to be supported by their manufacturers, covered by a warranty, or technologically comparable to contemporary mobile devices, given the rapid pace of technological advancement.
217. The Commission considers that the Wireless Code should minimize consumers' barriers to switching WSPs and to keeping pace with technological progress. The Code should also enable consumers to take advantage of competitive offers more frequently. The Commission considers that the fundamental barrier to consumers taking advantage of competitive offers every two years is not the availability of three-year contracts in the marketplace, but rather the high early cancellation fees that many consumers must pay if they wish to upgrade devices or change WSPs.
218. The Commission notes that early cancellation fees are a mechanism by which WSPs enforce wireless contracts and considers it appropriate for WSPs to have the ability to charge limited early cancellation fees in certain circumstances. However, the Commission considers that early cancellation fees must be significantly limited to empower consumers to take advantage of competitive offers and technological advances at least every two years. The record of the proceeding is clear that market forces alone have not appropriately restricted early cancellation fees in a way that responds to consumer concerns.
219. Many parties who opposed limiting contract length proposed that early cancellation fees should be calculated over the length of the contract or, for indeterminate contracts, a maximum of 48 months. If a 48-month period were used, a customer under an indeterminate contract could end up paying an early cancellation fee four years into a contract. However, the evidence in this proceeding demonstrates that permitting WSPs to require early cancellation fees over such long periods is a barrier to consumers taking advantage of competitive offers.
220. The Commission considers it appropriate to limit the maximum number of months over which the early cancellation fee must be reduced to 24 months, so that Canadians will be able to cancel a contract at no cost to them after two years or less. The Commission considers that this will minimize the costs of switching WSPs for consumers, benefit consumers, and ultimately result in a more dynamic marketplace.
221. In all cases, after two years, customers will be able to decide whether or not to continue the relationship with their current WSP or to choose a competitor's service without any early cancellation fees or other burden.

*Early cancellation fees*

222. The Commission considers that a clear, standard, and transparent formula for early cancellation fees will improve clarity for consumers.

223. The Commission also considers that flexibility to provide early cancellation fees that are more advantageous to the customer than those set out in the Commission's formula for calculating the maximum early cancellation fees would permit WSPs to use early cancellation fees as a competitive differentiator. The Commission notes that such flexibility would benefit consumers and the competitive market by allowing for even lower early cancellation fees and therefore lower barriers to switching.
224. The Commission considers that the calculation of maximum early cancellation fees should depend on (i) whether a mobile device is provided at a reduced price as part of the contract; and (ii) the contract term (fixed or indeterminate).
225. WSPs often combine fixed-term contracts with mobile devices that are sold to consumers at a reduced or subsidized price, in exchange for the customer's commitment to a fixed-term contract. Some WSPs also offer subsidized devices with indeterminate contracts whereby consumers "pay down" the amount owing on the device over their commitment period. The Commission considers it appropriate for WSPs to be allowed to recover an early cancellation fee if a customer seeks to exit their contract early and a subsidized device was provided as part of the contract. The Commission notes SaskTel's argument that WSPs should be allowed to recover customer acquisition costs as part of the early cancellation fee. However, the Commission considers that this would not be in the best interest of consumers and that acquisition costs are a cost of doing business for WSPs.
226. For both fixed-term and indeterminate contracts, when a subsidized device is provided, the Commission considers that, consistent with the position of most parties to this proceeding, the early cancellation fee should not exceed the value of the device subsidy. Basing the early cancellation fee on the value of the device subsidy is appropriate given that it ties the incentive that a customer received to enter a contract to the fee they must pay if they cancel their contract before the end of the commitment period. The Commission also considers that the value of the device subsidy should be calculated as the retail price of the device minus the amount that the consumer paid for the device at the time of sale. The Commission considers that, for the purpose of this calculation, the retail price of the device is the *lesser* of the manufacturer's suggested retail price or the price set for the device when it is purchased from the WSP without a contract. The Commission further considers that the early cancellation fee should be limited to the remaining balance of the device, which must decrease by an equal amount each month over a maximum of 24 months.
227. For fixed-term contracts where no device has been provided, WSPs should be able to impose some consequence if a customer seeks to cancel a contract early. In this regard, the Commission considers that WSPs should be encouraged to compete for customers who are willing to sign fixed-term contracts without subsidized devices. The Commission also considers that banning an early cancellation fee in the above-mentioned circumstances could reduce consumer choice by reducing the incentive for WSPs to offer service plans featuring discounts or lower rates in

return for customers signing fixed-term contracts. However, the amount of the early cancellation fee should be limited to ensure that it does not constitute a switching barrier.

228. The Commission considers that customers who provide their own device or pay full price for their device, and who have chosen indeterminate contracts, are in a very different situation than those described above. These customers have not committed to a fixed-term contract, and the WSP has not incurred any expenses in terms of subsidizing a device. In these circumstances, the Commission considers that no early cancellation fee should be charged.
229. The Commission notes that while many WSPs that provide prepaid services do not charge early cancellation fees, some WSPs offer pay-in-advance services with subsidized devices. The Commission considers that if a subsidized device is provided, the WSP should be able to recover the value of the device subsidy, through an early cancellation fee.
230. The Commission further considers that amounts due for services already provided do not form part of an early cancellation fee; instead, the requirement to pay amounts due for services already provided is an existing obligation under the service contract.
231. The Commission notes the Competition Bureau's and OpenMedia's arguments that customers should be able to continue paying off their device after switching WSPs. The Commission considers that it is not appropriate to require WSPs to maintain business relationships with consumers to whom they no longer provide telecommunications services. In addition, the Commission considers that a complete separation of devices from service contracts would represent a disproportionate interference in the marketplace.
232. The Commission considers that the inclusion of a clear description of any early cancellation fees in the written contract and the Critical Information Summary will increase transparency and clarity regarding device pricing. As noted above, the written contract and Critical Information Summary must clearly indicate the retail price of the device and the early cancellation fee, as well as how these relate to the value of the subsidized device provided as part of the contract. The Commission considers that clarifying the application of early cancellation fees will enable consumers to more easily evaluate their options and to better understand the costs for which they are liable.

### ***Commission's determinations***

233. In light of the above, the Commission determines that the Wireless Code must establish limits on the maximum early cancellation fees that WSPs can charge. Maximum early cancellation fees will depend on (i) whether a mobile device is provided at a reduced price as part of the contract (a subsidized device); and (ii) the contract term (fixed-term or indeterminate).

234. If a customer cancels a contract before the end of the commitment period, a WSP must not charge the customer any fee or penalty other than the early cancellation fee, which must be calculated in the manner set out below:

**(i) When a subsidized device is provided as part of the contract**

**a) for fixed-term contracts:** The early cancellation fee must not exceed the value of the device subsidy. The early cancellation fee must be reduced by an equal amount each month, for the *lesser* of 24 months or the total number of months in the contract term, such that the early cancellation fee is reduced to \$0 by the end of the period.

**b) for indeterminate contracts:** The early cancellation fee must not exceed the value of the device subsidy. The early cancellation fee must be reduced by an equal amount each month, over a maximum of 24 months, such that the early cancellation fee is reduced to \$0 by the end of the period.

**(ii) When the contract does not include a subsidized device**

**a) for fixed-term contracts:** The early cancellation fee must not exceed the *lesser* of \$50 or 10 percent of the minimum monthly charge for the remaining months of the contract, up to a maximum of 24 months. The early cancellation fee must be reduced to \$0 by the end of that period.

**b) for indeterminate contracts:** A WSP must not charge an early cancellation fee.

235. When calculating the early cancellation fee, (i) the value of the device subsidy is the retail price of the mobile device minus the amount that the consumer paid for the device when the contract was agreed to; and (ii) the retail price of the device is the *lesser* of the manufacturer's suggested retail price or the price set for the device when it is purchased from the WSP without a contract.

236. When calculating the time remaining in a contract to determine the early cancellation fee, a month that has partially elapsed at the time of cancellation is deemed to be a month completely elapsed.

237. These limits will apply equally to prepaid and postpaid services. The Commission notes that because many prepaid services, notably prepaid cards, do not include a device provided by the WSP, in many cases, no early cancellation fee will apply.

238. The Commission considers that it is not necessary to limit the length of wireless contracts to two years since, in light of its determinations above, any customer can cancel a wireless service contract after two years, at no cost to them.

## **11. Trial period**

### ***Positions of parties***

239. Many consumers considered that WSPs should be required to provide a limited trial period to allow consumers to determine whether the service coverage, device, or

package they chose meets their needs. Consumers submitted that they should be able to cancel their service during the trial period without being required to pay an early cancellation fee or any other fee.

240. For example, some consumers living in rural areas raised concerns about situations in which they purchase a mobile device and wireless service plan only to realize that they do not receive reception or receive only poor quality reception to the network where they live or work. These consumers were concerned that they would be required to continue paying for the service, even without reception or with poor quality reception, or to pay significant early cancellation fees.
241. MAC submitted that people with disabilities need sufficient time to determine the compatibility of a mobile device with the particular assistive technology the user intends to use and the suitability of the features of the device to meet the specific needs of the person with a disability. MAC submitted that WSPs should be required to offer a 30-day trial period.
242. Bell Canada et al., OpenMedia, PIAC et al., RCP, and l'Union supported including provisions regarding a 15-day trial period in the Code. PIAC et al. noted that a trial period would give consumers the time to review the terms and conditions of their contract, as well as evaluate the quality of service in their home or workplace.
243. Bell Canada et al. noted that the proposed trial period was consistent with the company's policies. RCP noted that it currently has a 15-day trial period, with 30 minutes of voice usage included. Public Mobile noted that it has a 7-day trial period, with 30 minutes of voice usage, and submitted that a longer trial period would reduce the resale value of devices. Public Mobile argued that WSPs that provided prepaid services should be subject to shorter trial periods than WSPs that offer long-term contracts.
244. Public Mobile, RCP, and TCC noted that a requirement to provide a trial period would impose costs on WSPs. These costs include the handling, restocking and depreciation in value of returned mobile devices. RCP further noted that returned devices can no longer be sold as new. Public Mobile submitted that a longer trial period would result in more device value depreciation, which would prevent stores from restocking returned mobile devices for resale.
245. Bell Canada et al. submitted that an extended trial period could be offered to people with disabilities including double the WSPs' regular usage limits. For example, if WSPs were to provide a regular trial period that either lasts 15 days or includes 30 minutes of voice usage, whichever comes first, the extended trial period for persons with disabilities would last 30 days or include 60 minutes of voice usage. In contrast, RCP indicated that the usage limits included in the trial period should be the same for all consumers (i.e. 30 minutes), but did not provide supporting rationale.
246. TCC opposed including a requirement to provide a trial period in the Wireless Code, arguing that mandating such a period is overly prescriptive and limits competitive differentiation. TCC proposed that WSPs should find alternative solutions for persons with disabilities, on a case-by-case basis.

### ***Commission's analysis***

247. The Commission notes that consumers who purchase a mobile device seek to do so in as timely a manner as possible and considers that consumers may not be able to take in all the details of a wireless service contract prior to the start of service. As well, consumers may not discover certain constraints on their services until after they have started to receive service. For example, service coverage maps provided by WSPs may not be sufficient to determine the adequacy of wireless services in a customer's home, office, or other location where they want to use their device. The Commission considers that a consumer's experience of the device and service coverage in a consumer's home or office cannot be adequately tested at the time of sale. Therefore, some trial of the service in these places is necessary.
248. The Commission considers that for wireless contracts under which a consumer is subject to an early cancellation fee, the consumer needs a trial period to test the service, including a device purchased as part of the contract. However, with prepaid card services and certain other prepaid services, consumers can cancel their contract at any time without being required to pay an early cancellation fee. Accordingly, the Commission considers that it is not necessary to require WSPs to provide a trial period for such services.
249. Requiring a standard trial period for contracts under which a consumer is subject to an early cancellation fee would (i) give consumers the opportunity to properly review the terms and conditions of their contract to ensure that it meets their needs; (ii) ensure reliable service in their home, office, or other location where they want to use their device; and (iii) increase consumer choice. The Commission notes some WSPs' concern that if a trial period were implemented, they would have to absorb the depreciation costs of returned devices. The Commission considers that WSPs should be permitted to require any device returned within the trial period to be returned promptly and in its original working order. The Commission also considers that WSPs should be permitted to determine the usage levels allowed during the trial period.
250. Accordingly, the Commission considers that a requirement to provide a trial period lasting a minimum of 15 calendar days for contracts under which the consumer is subject to an early cancellation fee represents an appropriate balance between the needs of consumers and the burden that such a requirement places on WSPs.
251. The Commission acknowledges that people with disabilities may require additional time to familiarize themselves with and integrate a new mobile device into existing and/or possibly new assistive technology and software. In addition, people with disabilities must often schedule assistive technology support services to further determine the compatibility of their mobile device with accessibility software. Accordingly, the Commission considers that an extended trial period, which doubles the number of days and usage level, is necessary to help people with disabilities find suitable wireless service plans and products.

252. To provide WSPs with flexibility, the requirement to provide a trial period is a minimum standard, which WSPs may choose to exceed by offering longer trial periods.

### ***Commission's determinations***

253. WSPs must provide a 15-calendar-day (minimum) trial period for contracts where the consumer is subject to an early cancellation fee. During the trial period, customers can cancel their contract without penalty if they have (i) used less than the prescribed usage; and (ii) returned any mobile device provided by the WSP in near-new condition, including original packaging.
254. The Commission also requires that the trial period for customers who self-identify as having a disability be at least 30 calendar days, with a corresponding doubling of the permitted usage.
255. The Commission determines that these requirements apply equally to prepaid and postpaid contracts where the consumer is subject to an early cancellation fee.
256. The trial period must start on the date on which service begins.

## **12. Effective date of cancellation**

### ***Positions of parties***

257. Consumers expressed concern that cancellation practices were unfair and resulted in double-billing for wireless services when a consumer cancelled their service and moved to a different WSP. In particular, consumers submitted that many WSPs required 30 days' notice to cancel wireless services, but did not inform consumers of this until they contacted their WSP to cancel their service.
258. Parties generally agreed that it was inappropriate for WSPs to cancel customers' services 30 days after the date on which the cancellation was requested and that the Wireless Code should require that WSPs cancel service immediately upon the customers' request. However, parties disagreed on whether cancellation should take effect on the date on which notice is provided by the customer or on the date on which notice is received by the WSP.
259. Bell Canada et al., the CWTA, Mobilicity, MTS Allstream, RCP, TCC and Videotron submitted that cancellation should take effect on the date on which notice is received. Bell Canada et al. and RCP submitted that cancellation can only be processed by the WSP once notice has been received. RCP and TCC also submitted that cancellation often comes by means of a number porting request, and that WSPs have no control over when a customer's new WSP makes a number porting request. EastLink submitted that requiring cancellation to take effect when notice is given would eliminate the need for customers to call their current WSP when switching providers, and that this would reduce barriers to switching.

260. In general, WSPs offering prepaid services submitted that because their customers do not enter into fixed-term contracts, there is no need for provisions on effective cancellation dates to apply to prepaid services. Their customers can already choose to cancel their services at any time without any cost or delay.
261. The CCC, PIAC et al., and l'Union argued that cancellation should take effect on the date on which the customer provides the notice. PIAC et al. and l'Union submitted that consumers would be disadvantaged by cancellation taking effect on the date of receipt of notice by WSPs, arguing that consumers have no knowledge of, or control over, WSPs' internal policies and practices. PIAC et al. also argued that the number porting process involves such short time frames that it should occur on the same date as the cancellation request. OpenMedia submitted that cancellation should take effect on the date on which notice is provided, or within five business days if the notice is sent by mail. Mr. Sokolov proposed that cancellation should take effect on the business day following the day on which the consumer could reasonably expect the WSP to have received the notice.

### ***Commission's analysis***

262. The Commission notes that before the proceeding, many WSPs required 30 days' notice before implementing service cancellation, including at the end of a contract term. The record of this proceeding shows that this practice has generally ended due to the many complaints it generated. The Commission agrees with this development to minimize the barriers to switching WSPs.
263. The Commission considers that the effective cancellation date should be standard and easy to understand for both consumers and WSPs. The Commission notes that if notice of cancellation is provided over the phone, the difference between when the notice is sent and received is not significant. However, if the notice of cancellation is sent by mail, or if a technical issue keeps an electronic notice from being received, there could be a delay in WSPs receiving the notice they need to cancel the service. While relying on the date sent would avoid any delay in cancelling service for consumers, the Commission considers that such a rule would be impractical to implement and enforce, given that, in some cases, cancellation would need to occur retroactively.
264. The Commission notes that the introduction of wireless number portability enabled customers to switch WSPs without having to contact their current WSP. There are detailed industry rules regarding notice of cancellation in these circumstances, which reduce the potential risk of cancellation delays.
265. The Commission does not consider that the effective cancellation date is a significant issue for prepaid services, since prepaid service customers must actively choose to renew their services and can cancel their services at any time.

### ***Commission's determinations***

266. In light of the above, the Commission determines that consumers may cancel their wireless services at any time by notifying their WSP, and that cancellation must take effect on the date on which the WSP receives this notice. The Commission determines that this requirement applies only to postpaid services.

### **13. Contract extension**

#### ***Positions of parties***

267. Consumers submitted that clarity around whether a device upgrade could trigger a contract extension is required in the Wireless Code. Many consumers expressed frustration that they had, in some cases, unknowingly extended their contract terms for an additional three years upon changing a feature in their contract or upgrading their mobile device.
268. Parties generally agreed that upon contract expiry, consumers should have the option to continue with the same plan at the same monthly rate on a month-to-month basis.
269. Parties also generally agreed that WSPs should provide notice before extending a customer's contract. PIAC et al. submitted that WSPs should notify their customers of contract expiry 90, 60, and 30 calendar days before the expiry date. Bell Canada et al., the CWTA, TBayTel, and TCC submitted that this notification should occur, at minimum 60 days before the end of the contract term.
270. Certain parties submitted that WSPs should obtain consumers' express consent regarding automatic contract extension and that consumers should be able to opt out of automatic contract extension. Other parties submitted that prohibiting automatic contract extension would be disruptive to consumers because they would lose service at the end of their contract term.
271. Several WSPs submitted that they have recently changed their automatic contract extension practices, or were in the midst of changing these practices in response to customer requests. WSPs also submitted that contracts are never renewed or extended without the customer's consent.
272. WSPs that offer prepaid services, including Public Mobile, argued that requirements related to contract extensions are not applicable to prepaid services. Prepaid services are never automatically extended; the customer can determine whether or not they would like to continue receiving service.

#### ***Commission's analysis***

273. The lack of transparency regarding contract extensions is a key concern for consumers. This lack of transparency can be detrimental to a dynamic market since it acts as a barrier to switching WSPs by locking consumers into another contract term when they may not wish this to happen.

274. The Commission considers that consumers require greater clarity regarding what will trigger contract extensions, particularly, whether device upgrades will trigger a contract extension. The practice of automatically extending a contract for another commitment period at upon contract expiry is an unreasonable barrier for consumers to switching WSPs. However, the Commission considers that automatic contract extension on a month-to-month basis upon contract expiry provides clear benefits to consumers: it limits the possibility of service disruption at the end of the contract while allowing consumers to decide whether to switch WSPs or renew their contract.
275. Therefore, the Commission considers that WSPs should be required to (i) inform their customers about their policy regarding automatic contract extension before customers enter into a contract; and (ii) indicate that customers have the right to opt out of automatic extension at any time.

#### ***Commission's determinations***

276. The Commission determines that upon contract expiry, WSPs may automatically extend their customers' contracts on a month-to-month basis, at the same rates, terms, and conditions.
277. The Commission determines that (i) WSPs must ensure that the written contract and the Critical Information Summary indicate whether the contract will be extended automatically at the end of the commitment period; and (ii) WSPs must clearly inform customers in the written contract if upgrading or otherwise changing their mobile device will extend their commitment period or change any other aspect of their contract. In addition, at the time that a WSP offers a customer a device upgrade, the WSP must clearly explain to the customer any changes to the existing contract terms caused by accepting the new device, including any extension to the commitment period.
278. The Commission further determines that, for fixed-term contracts, WSPs must notify customers of any automatic contract extension at least 90 calendar days before the date on which their contract expires.
279. In light of the different service delivery models available in the market, the Commission determines that these requirements apply only to postpaid services.

#### **14. Security deposits**

##### ***Positions of parties***

280. Some consumers submitted that security deposits were a barrier to obtaining postpaid wireless services and noted a general lack of clarity regarding how security deposits are managed by WSPs.

281. Consumer groups, including 1'Union, submitted that the Wireless Code should establish a maximum amount for security deposits, based on the cost of the device and the wireless services used. Consumer groups submitted that establishing a maximum amount for security deposits would enable greater access to postpaid service for consumers, particularly those with lower incomes.
282. Several WSPs submitted that there should be no limits on security deposit amounts since imposing these limits could lead to some potential customers being refused service. RCP submitted that the provision of wireless services can incur significant fees for WSPs, so flexibility in setting security deposit amounts is necessary. TCC submitted that WSPs should be allowed to apply the security deposit toward any amounts past due, and require the customer to replenish the security deposit after such use. Mobilicity and Public Mobile submitted that WSPs that do not collect security deposits should be exempt from provisions on security deposits in the Wireless Code.

### ***Commission's analysis***

283. WSPs may require security deposits from certain customers to help mitigate the risk of non-payment. The presence of a security deposit can increase access to services, which benefits consumers. The Commission considers it appropriate for WSPs to apply security deposits towards amounts past due, and for customers to replenish the security deposit after such use.
284. The Commission notes that the CCTS currently administers the Deposit and Disconnection Code,<sup>9</sup> which sets out rules for the appropriate treatment of security deposits for wireline services. The Commission considers it reasonable to model policies on security deposits for wireless services on those in place for wireline services, to the extent possible. The Commission considers that this would increase transparency and clarity for consumers.
285. The Commission notes that setting a maximum security deposit amount could lead to potential customers being refused service. The Commission also notes that WSPs have incentives to collect reasonable security deposit amounts as necessary and to return these deposits. The appropriate amount for a security deposit varies from one circumstance to the next. It involves examining situation-specific considerations, such as the customer's financial position and credit rating. By the same token, the WSP is motivated to sign up customers. The Commission therefore considers it appropriate to rely on market forces regarding security deposit amounts. Nevertheless, the Commission considers that information relating to the security deposit, including the reasons for requesting it, as well as the conditions for reviewing the appropriateness of the deposit and conditions for its return, must be clearly communicated to consumers. The Commission will monitor security deposit-related complaints to the CCTS to ensure that security deposits do not become a barrier for consumers to access to wireless services.

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<sup>9</sup> This Code is administered by the CCTS.

286. The Commission notes that, in general, WSPs offering prepaid services do not require security deposits, since their business model limits their exposure to non-payment. Consumers who are unable to pay a requested security deposit can choose prepaid wireless service options.

### ***Commission's determinations***

287. The Commission determines that if a WSP requests a security deposit from a customer, the WSP must
- i. provide the customer with the reasons for requesting the deposit.
  - ii. keep a record of those reasons for as long as they hold the deposit.
  - iii. specify in the written contract the conditions for the return of the security deposit and review the continued appropriateness of retaining the deposit at least once per year.
  - iv. return the security deposit, with interest, retaining only any amount owed by the customer, no more than 30 calendar days after service cancellation or the WSP's determination that the conditions for return of the security deposit have been met.
288. The Commission requires WSPs to calculate the interest on the customer's security deposit using the Bank of Canada's overnight rate in effect at that time, plus at minimum one percent, on the basis of the actual number of days in a year, accruing on a monthly basis.
289. The Commission determines that WSPs may apply the security deposit towards any amount past due, and may require the customer to replenish the security deposit after such use.
290. The Commission also determines that these requirements do not apply to prepaid services.

## **15. Disconnection**

### ***Positions of parties***

291. Parties generally agreed that WSPs' disconnection policies should be clear and easy to understand, while acknowledging the differences between wireless and wireline services. Consumer groups noted that service suspension is more common in the wireless service market than in the wireline service market, and that disconnection policies should reflect this reality. These parties considered that the two pillars of a disconnection policy should be (i) customer notification; and (ii) the maintenance of service during a dispute. Some WSPs opposed the imposition of the regulations set out in the wireline disconnection policy on wireless services, arguing that there are significant differences between the wireline and wireless service business models.
292. Some parties noted that disconnection is nearly nonexistent in the prepaid service market, due to the negligible risk of non-payment.

### ***Commission's analysis***

293. The Commission considers that WSPs must make reasonable attempts to notify customers before disconnecting their wireless service. Wireless services have, for many Canadians, become their sole telephone service, which they use to receive important information, for example, about their work, children, and medical appointments.
294. The Commission notes that the Deposit and Disconnection Code sets out rules for the appropriate treatment of disconnection for wireline services.<sup>10</sup> The Commission considers it reasonable to model policies for wireless service disconnection on those in place for wireline services, to the extent possible. The Commission considers that this would increase transparency and clarity for consumers. However, in light of the different business models of wireline and wireless services, a separate disconnection policy for wireless services is required.
295. Two key principles must apply to any wireless service disconnection policy:
- (i) wireless service customers can only be disconnected for failure to pay when the security deposit amount does not cover the amount owing to a WSP, and
  - (ii) wireless service customers on a spending limit or credit management program are exempt from the application of the wireless service disconnection policy. The Commission considers that this modified disconnection policy empowers consumers while allowing flexibility for WSPs to discuss alternative payment arrangements with their customers.
296. During the proceeding, WSPs filed information in regard to the plans they offer to customers with limited access to credit. In those cases, the service limitations have been agreed upon by the WSP and the customer, therefore, requiring additional notification of disconnection would be burdensome for WSPs. Accordingly, the Commission agrees with some WSPs' submission that a lack of provisions directed toward these customers in the Wireless Code could result in fewer service options for them.
297. Service interruptions when a pre-set spending limit is reached, such as for prepaid service customers or other customers on credit limited spending programs, should not count as disconnections under the Wireless Code. The Commission notes that customers of prepaid services or those who have agreed to a services cap clearly understand that continued service is contingent on having an account balance or using less than their cap. These customers do so as a way to control their telecommunications expenses.

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<sup>10</sup> The Deposit and Disconnection Code can be obtained from the "Documents" section of the CCTS's website.

### ***Commission's determinations***

298. In light of the above, the Commission determines that if the grounds for disconnecting the customer are failure to pay, a WSP can disconnect a customer's postpaid service where the customer (i) fails to pay an account that is past due, provided it exceeds \$50 or has been past due for more than two months; (ii) fails to provide or maintain a reasonable security deposit or alternative when requested to do so by the WSP; or (iii) agreed to a deferred payment plan with the WSP and fails to comply with the terms of the plan.
299. The Commission determines that except with customer consent or in exceptional circumstances, disconnection may occur only on weekdays between 8 a.m. and 9 p.m. or on weekends between 9 a.m. and 5 p.m., unless the weekday or weekend day precedes a statutory holiday, in which case disconnection may not occur after noon. The applicable time is that of the customer's declared place of residence.
300. If a WSP has disconnected a customer in error, it must restore service by the end of the next business day, and it cannot impose reconnection charges.
301. The Commission determines that if a WSP intends to disconnect a customer, it must provide reasonable notice to the customer at least 14 calendar days before disconnection, of (i) the reason for disconnection and amount owing (if any); (ii) the scheduled disconnection date; (iii) information on the availability of deferred payment plans; (iv) the amount of the reconnection charge (if any); and (v) contact information for a WSP representative with whom the disconnection can be discussed. This notification is required in all cases, except those where (i) the WSP has a reasonable suspicion that fraudulent activity has occurred or is likely to occur; or (ii) action must be taken to protect the WSP's network from harm.
302. A WSP must provide a second notice to advise a customer that their service will be disconnected at least 24 hours before disconnection, except where (i) repeated attempts to contact the customer have failed; (ii) action is necessary to protect the network from harm; or (iii) the WSP has a reasonable suspicion that fraud is occurring or likely to occur.
303. A WSP must not disconnect a customer if (i) the customer notifies the WSP on or before the scheduled disconnection date listed in the notice that they dispute the reasons for disconnection; (ii) the customer pays the amount due for any undisputed portion of the charges; and (iii) the WSP does not have reasonable grounds to believe that the purpose of the dispute is to evade or delay payment.

### **16. Privacy policies**

#### ***Positions of parties***

304. Consumers and consumer groups expressed concern that privacy policies are not easily available and can be changed without notification. They also expressed concerns over the safeguarding of their personal information, including the possible sharing of this information (i) to third parties without consumers' consent; (ii) for GPS tracking on smartphones; and (iii) to parties outside Canada.

305. Middleton et al. submitted that research on the usage of information and communication technologies indicates that youth and seniors are particularly concerned over the management of their personal information.
306. The Office of the Privacy Commissioner of Canada submitted that the Wireless Code should explicitly reference the obligations and guiding principles of the Personal Information Protection and Electronic Documents Act (PIPEDA).
307. All parties generally agreed that WSPs should (i) make their privacy policies available in a manner that is accessible; and (ii) notify their customers of any amendments to their privacy policies at least 30 calendar days in advance.

### ***Commission's analysis***

308. The Commission notes that WSPs are subject to either federal or provincial privacy legislation. While the Commission considers that PIPEDA and provincial privacy legislation promote the interests of consumers, the Commission also notes that privacy continues to be of primary concern for many consumers.
309. Customer notification by WSPs of amendments to their privacy policies would ensure that customers are informed of how WSPs manage their personal information. This requirement requires little effort by WSPs but ensures that consumers are well informed about these important conditions related to their services. The Commission notes that WSPs supported the application of provisions related to privacy policies in the Wireless Code to prepaid services.

### ***Commission's determinations***

310. In light of the above, WSPs are required to notify their customers of amendments to their privacy policies at least 30 calendar days before these amendments take effect. This requirement applies to all prepaid and postpaid services. Privacy policies must be provided in an accessible manner, which includes alternative formats for people with disabilities, upon request and at no charge.

## **17. Unlimited services and advertised prices**

### ***Positions of parties***

311. Consumers submitted that advertised prices can be misleading, since they often include basic service charges, but not additional fees and charges for optional services. Consumers stated that advertised prices should include all fees, optional service charges, taxes, and should list potential overage charges.
312. Parties generally agreed on the need for clarity in advertised prices. Mr. Sokolov submitted that advertised prices should include the average cost of wireless services over the length of the contract term for fixed-term contracts, or two years for indeterminate contracts. PIAC et al. and Vaxination argued that advertised prices should include any taxes and additional fees. MAC submitted that pricing should be clear and consistent between WSPs to help consumers compare services.

313. TCC indicated that due to the different tax rates in different provinces, imposing an “all-in” price advertising requirement would make national advertising campaigns infeasible. EastLink submitted that a provision on advertised prices in the Wireless Code is unnecessary because other federal legislation already has established such obligations.
314. Consumers expressed frustration with plans that are advertised as being unlimited, but may be subject to unclear usage limitations or overage fees. The CCTS and consumer groups argued that fair use policies are not well disclosed. In addition, the CCTS filed its 2011-2012 annual report on the record of the proceeding, which highlights complaints related to unlimited plans as being of significant concern.
315. MTS Allstream and Vaxination submitted that an unlimited plan should be defined as a plan under which a customer cannot be charged overage fees. MTS Allstream argued that if no network or traffic management practices were allowed to apply to unlimited plans, this would create a disincentive to WSPs to offer such plans, reducing consumer choice and potentially increasing prices.
316. TCC suggested that WSPs should not be permitted to advertise a service as being “unlimited” if their network practices may result in a material reduction in the quality of that service for customers who reached a specified amount of use.
317. L’Union submitted that WSPs should not be able to move customers to limited plans once a certain usage threshold has been reached. L’Union also submitted that WSPs must clearly explain their fair use policies and what level of usage leads to these policies being applied. In general, parties agreed that plans advertised as being “unlimited” should not have any usage limitations, unless they are clearly described in a WSP’s fair use policy.
318. Mobilicity proposed a similar definition of an unlimited service. WIND and Public Mobile agreed that provisions in the Code on unlimited services should apply to all prepaid and postpaid services

### ***Commission’s analysis***

319. In order to ensure that consumers have the information they need to make choices in the wireless marketplace, they need to have a clear understanding of the cost and inclusions of wireless service plans. The requirements described in paragraphs 53 to 61 and 73 to 76 above regarding the information that must be included in written contracts and the Critical Information Summary will effectively address this need.
320. Consumers should be clearly informed of the limitations of the services they are agreeing to purchase. In particular, if a customer agrees to pay for an unlimited plan, that customer should not be subject to any usage limitations beyond those necessary for network management purposes, and these limitations should be clearly disclosed.
321. The Commission considers that when a customer subscribes to a plan that is described in the contract as being “unlimited,” the customer should not be charged any overage fees for use of any services under that plan. The Commission also

considers that for these plans, there should be no usage limitations outside a WSP's fair use policy. WSPs must explicitly explain in the fair use policy (i) the amount of usage that will trigger the application of the policy; and (ii) what the consequences are for the customer of the application of the policy. This will ensure that customers who subscribe to plans that are advertised as being "unlimited" understand the related parameters and that these consumers are not charged unexpected overage fees. The Commission considers that when fair use policies are applied, it is the WSP's burden to demonstrate that a customer has violated the policy.

322. The Commission also considers that these requirements should apply to both prepaid and postpaid services, since unlimited plans are common to many different business models.
323. The Commission notes the submissions requesting that the Commission require that certain optional services, such as Call Display and Voicemail, be included in the advertised price of wireless service plans. The Commission notes that a variety of wireless service plans are available in the marketplace with different usage allowances and services included. It is appropriate to allow WSPs the flexibility to design and price wireless service plans that respond to the needs of consumers, provided that pricing and service information is clearly explained in the written contract and Critical Information Summary.
324. The Commission also notes that WSPs must adhere to federal and provincial legislation regarding advertising practices. The Commission considers that the existing federal and provincial legislation address consumer interests with respect to the advertised prices.

### ***Commission's determinations***

325. In light of the above, the Commission determines that (i) WSPs cannot charge a customer any overage charge for services described in their contract as being unlimited; (ii) WSPs must ensure that all limitations on the use of their services, including any rules on the appropriate use of the network, are explained in the WSP's fair use policy; and (iii) WSPs must provide this information to the customer at the time that the contract is agreed to. These requirements apply equally to prepaid and postpaid services.
326. The Commission notes that, as set out above, the Wireless Code establishes new requirements on WSPs to ensure the clarity of the prices in contracts. The Commission finds that no additional requirements are necessary to address advertised prices.

## **18. Accommodations for people with disabilities**

### ***Positions of parties***

327. Consumers expressed concern regarding the promotion of wireless service plans that are tailored for people with disabilities and the accessibility of customer service. MAC highlighted, among other issues, the need for à la carte services, an

extended trial period, and accessible customer service for people with disabilities. MAC requested that the Code require a 45-day trial period and that this period include the full complement of voice, text, and data usage. In contrast, Bell Canada et al. and RCP submitted that a 30-day trial period would be reasonable for people with disabilities.

328. Parties generally agreed that the Wireless Code should provide for specific accommodations for people with disabilities.
329. Some WSPs noted that disability-specific wireless service plans already exist in the market. Other WSPs noted their initiatives to promote accessibility to their customers. RCP submitted that it has plans to establish a “centre of excellence” for accessibility services. The CWTA announced its plans to create an Accessibility Advisory Group that will hold discussions on wireless service accessibility. Videotron and EastLink submitted that their respective “value for money” approaches to their service offerings would meet the needs and expectations of people with disabilities.

### ***Commission’s analysis***

330. The Commission notes that people with disabilities are often challenged with finding wireless service plans and related customer service information that meet their unique needs. The Commission notes that it considered that WSPs’ wireless services should include reasonable accommodations for people to access them. The Commission considers that WSPs’ contracts and related documents should be accessible for people with disabilities in alternative formats upon request and at no additional charge.
331. The Commission acknowledges that people with disabilities may require additional time to familiarize themselves with and integrate a new mobile device to assistive technology and software. In addition, people with disabilities must often schedule assistive technology support services to further determine the compatibility of their mobile device with accessibility software. As noted earlier in this decision, the Commission considers it reasonable to provide people with disabilities with an extended trial period in terms of the number of days and usage.
332. In Broadcasting and Telecom Regulatory Policy 2009-430 (the Accessibility Policy), the Commission imposed requirements on WSPs and outlined its expectations for WSPs to better serve the needs of people with disabilities. These include an expectation for WSPs to offer accessible handsets, and requirements for WSPs to (i) provide reasonable accommodations for people with disabilities in their customer service and on their websites, (ii) promote disability-specific services, and (iii) provide information in alternative formats upon request.
333. In the Accessibility Policy, the Commission encouraged WSPs to consult with their customers with disabilities and appropriate advocacy groups to develop suitable options and packages of optional features for people with disabilities and to offer such options at the earliest possible opportunity.

334. WSPs generally expressed that they were committed to advancing accessibility issues. The Commission considers that disability-specific plans are currently being offered by WSPs, but that these plans may not be promoted sufficiently. The Commission notes consumers' frustration with the wireless service industry in receiving customer service with expertise in the area of accessibility.
335. WSPs should ensure that their customers with disabilities have access to the information they need to determine which plans, services, or products would best meet their needs. The Commission considers customer service resources with expertise in the area of accessibility to be important for communication of this type of information. In this regard, the Commission also considers it reasonable to require WSPs to report on how they are promoting the plans and services that they consider best meet the needs of people with disabilities.

### ***Commission's determinations***

336. The Commission notes that, in this decision, it has required WSPs (i) to provide contracts in alternative formats for people with disabilities upon request and at no charge; and (ii) to provide an extended trial period for contracts for people with disabilities.
337. The Commission expects WSPs to ensure that customers with disabilities have the information they need to determine which plans and services best meet their needs.
338. The Commission **directs** WSPs to report on what wireless service plans they offer for people with disabilities, how they promote these plans, and what accessibility-specific customer service resources are available to consumers by **3 March 2014**.

## **19. Expiration of prepaid cards**

### ***Positions of parties***

339. Prepaid wireless service cards (prepaid cards) are subject to an expiry date determined by the WSP and ranging from 15 days to one year following activation, depending usually on the value of the card (e.g. a \$100 prepaid card generally has a later expiry date than a \$30 card). To continue service and/or carry over credits beyond the expiry date, consumers can choose to "top-up" or add money to their account via the WSP's website and/or by purchasing additional prepaid cards.
340. Many consumers submitted that they were frustrated that their account balances expire immediately if they do not "top up," and that, if they missed the end of their account by one day, their balance would be lost. These consumers therefore requested that the Commission require WSPs to carry over prepaid account balances indefinitely.
341. Some consumer groups and individuals submitted that the Wireless Code should prohibit the expiration of prepaid cards (i.e. services not used within the timeframe allotted should roll over indefinitely).

342. WSPs argued that prepaid cards should not be prohibited from expiration, since the business model is based on providing time-limited access to the network.
343. The CWTA submitted that prepaid services are not defined solely by the purchase of minutes. The CWTA stated that prepaid service models provide access to the network (e.g. the ability to receive or send calls, text messages or data) as well as predetermined usage volumes (e.g. a set number of minutes, texts or megabytes; or unlimited usage for a fixed duration). Prepaid wireless service balances also typically do not have an expiry date; rather they have a usage period that begins once the balance is activated. Many prepaid services allow customers to carry over unused minutes to a new usage period as long as the customer refreshes the account before the end of the term.
344. RCP and Bell Canada et al. argued that customers already understand how prepaid services function and how to manage their accounts. They submitted that consumers are already informed of the conditions applicable to their prepaid balances, including the usage period. Bell Canada et al. further stated that alternatives already exist to prevent account expiry.
345. WSPs generally agreed with the CWTA that a prepaid card is substantially different from a gift card, in that prepaid cards are a billing mechanism for a specific service over a period of time. SaskTel stated that once a prepaid card is activated, there is recognition that the card has been used to purchase an ongoing service, and that there is a cost to retaining this service over time.
346. SaskTel argued that if a prepaid balance were to never expire, customers might purchase a prepaid plan and use the device infrequently or only in cases of emergency. SaskTel expressed concern that this could result in significant numbering resources being assigned to devices that are infrequently or never used. TCC also argued that it would not be reasonable for a WSP to be obligated in perpetuity to a customer, especially when the company has no contact information for the customer and cannot even know if they reside in Canada or are deceased, for example. For these reasons, TCC argued that there must be a time when a prepaid account is considered to have been abandoned, and the accounting standard is 90 days.

### ***Commission's analysis***

347. The Commission considers that consumers' key requests related to prepaid cards are (i) for WSPs to carry over their account balances (which may be represented in terms of minutes, text messages, or other usage) indefinitely if unused; and (ii) for consumers to be able to "top up" their accounts a bit late.
348. The Commission considers that WSPs should hold prepaid card customers' accounts open for seven days following expiry of an activated prepaid card to give customers more time to "top up" their accounts. The Commission considers that such a requirement would (i) not impose a significant burden on WSPs; (ii) improve clarity regarding prepaid service billing and policies; (iii) balance consumer interests with current market realities; and (iv) increase flexibility for frequent users of prepaid services.

349. The Commission considers that the evidence on the record of the proceeding does not support consumers' request for WSPs to carry over their prepaid unused minutes indefinitely. In this regard, the Commission notes that wireless services, including prepaid card services, provide access to the network for a specific period of time with specific usage limitations that are distinct for each aspect of the service. The Commission considers that imposing a requirement that services be provided beyond the limitations set out in the service agreement would not be appropriate.

### ***Commission's determinations***

350. In light of the above, the Commission requires WSPs to hold prepaid customers' accounts open for at least seven days following the expiry of an activated card at no charge to give customers more time to "top up" their accounts and retain their prepaid balance.

## **C. Implementation of the Wireless Code**

### ***Positions of parties***

351. Individuals and consumer groups, including the CCC, submitted that the Wireless Code should be implemented as soon as possible. WSPs proposed implementation periods ranging from immediately to 24 months for various aspects of the Wireless Code. All parties agreed that the majority of the proposals found in the Draft Code could be implemented within 6 months. Bell Canada et al. suggested a staggered implementation approach of 30 days, 6 months, and 12 months for different provisions, depending on their complexity. RCP suggested a staggered approach of 3, 6, and 18 months. TCC submitted that the implementation period should last 6 months, but that WSPs should be allowed flexibility for more complex aspects if they can demonstrate the need.
352. Videotron, RCP, SaskTel, and TCC submitted that implementing usage notifications and usage caps, as proposed in the Draft Code, would require significant investments and information technology system upgrades. RCP noted that its network and billing platforms were not designed to provide minute-by-minute information while services are in use, and that the company would need to implement new systems to enable this functionality. SaskTel submitted that it does not currently have the ability to implement usage notifications and usage caps, and argued that smaller WSPs could not implement changes as quickly as larger WSPs. TCC submitted that implementing usage notifications and usage caps could take 24 months, and estimated that it could cost the company \$60-80 million for usage notifications and \$50-75 million for usage caps. WIND argued that it was technically feasible and not cost-prohibitive to implement some usage notification and measuring tools.

353. MTS Allstream noted the significant costs involved if a six-month implementation period were chosen for all proposals presented in the Draft Code, and questioned whether this would comply with the Policy Direction.<sup>11</sup>
354. RCP submitted that incorporating the Critical Information Summary into its contracts would take at least 18 months, but stated that it could institute a hard copy version for in-store activations within six months.
355. The CCC, PIAC et al., and l'Union stated that they preferred a six-month implementation period. PIAC et al. and l'Union argued that implementing different sections of the Wireless Code at different times would be confusing for consumers. PIAC et al. acknowledged that flexibility in the implementation period could be required for some sections of the Wireless Code.
356. All parties except Mobilicity and PIAC et al. agreed that applying the Wireless Code to all existing contracts immediately would be impractical and disproportionate. WSPs pointed out the costs of re-writing and re-signing millions of contracts and the difficulty in calculating the maximum early cancellation fee when the value of the device was not recorded at the time the contract was signed.
357. However, several WSPs stated that many of the Wireless Code's provisions that do not relate to a particular contract, including obligations related to privacy policies or notifications for additional fees, could be applied as of the implementation date across the board without any legal or practical issues.
358. Many WSPs stated that, if the Commission found it necessary, the Code could be applied to existing contracts at the time that they are amended, renewed or extended. TCC stated that the Wireless Code could apply when a material term of the contract is changed, while MTS Allstream argued that it could be applied when a customer upgrades to a new device.
359. PIAC et al. suggested that to ensure that all Canadians benefit from the Code within a reasonable amount of time, the Commission should set an ultimate date for its application to all contracts in order to avoid WSPs extending contracts indefinitely to avoid application of the Wireless Code.

### ***Commission's analysis***

360. The Commission notes that the purpose of the Wireless Code is to ensure that consumers are empowered to make informed choices in the competitive market and to contribute to making that market more dynamic. The Commission considers that it is in the best interest of consumers that the Wireless Code be implemented as soon as practicable. The Commission notes, however, that the interests of consumers must be balanced with what is reasonable and technically feasible for WSPs to achieve. This is consistent with the Policy Direction.

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<sup>11</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006.

361. The Commission considers that there are two distinct implementation issues to address: (i) when the Wireless Code will come into force; and (ii) when the Code's requirements begin to dictate outcomes with respect to pre-existing contracts.
362. The Commission agrees with PIAC et al. and l'Union's concerns that having multiple implementation dates for the Wireless Code could be confusing for consumers. The Commission notes that WSPs generally agreed that most aspects proposed in the Draft Code could be implemented within six months.
363. Implementing the Wireless Code imposes a significant number of new requirements on WSPs. The Commission notes that many WSPs have stated that implementing caps on data overage charges and data roaming charges will require significant investments in time, labour, and capital. The Commission notes, however, that the more onerous elements of the requirements proposed in the Draft Code have not been imposed as part of the Wireless Code, considerably lessening the burden on WSPs and the time they would need to implement these requirements.
364. The Commission notes that if a particular WSP is faced with unique barriers to the implementation of a specific provision in the Wireless Code that would make it technically impossible or financially unreasonable for the WSP to implement within the six-month period, it can file an application to obtain an extension of this timeline. However, the Commission considers that a WSP would be required to provide detailed evidence and rationale that show that their circumstances are unique and that the burden they face is exceptionally unreasonable.
365. The Commission notes that if the Wireless Code only applies to contracts entered into or amended on or after the implementation date, many Canadians with pre-existing wireless service contracts will not fully benefit from the Wireless Code until these existing contracts expire or are amended. The Commission considers that it is essential to ensure that the transition period for the implementation of the Wireless Code is as short as possible in order to ensure that all Canadians benefit from the Wireless Code in a reasonable period. The Commission notes that unreasonable delays in the implementation of the Code for some customers could be considered undue discrimination.
366. However, the Commission also considers that there are valid practical reasons why immediate application of the Code to all existing contracts may not be proportionate, in that the costs and resources necessary to immediately implement the Code would outweigh the relative benefit to consumers.
367. Based on the evidence filed on the record of the proceeding, the Commission notes that if the Code applied to new and amended contracts only, approximately half of all wireless service customers would be covered by the Code within one year of its implementation, including customers on indeterminate contracts, who would be covered immediately, and customers on fixed-term contracts who would renew, amend, or otherwise enter into a new contract within that period of time. The Commission also notes that the evidence on the record of the proceeding is clear that a large proportion of consumers amend or extend their contracts before the end

of the contract term, and that, therefore, the Wireless Code would apply to most contracts in less than 2 years. At this point, then, the Wireless Code should apply to the vast majority of contracts and the burden on the WSPs to amend the remaining contracts would be substantially reduced.

### ***Commission's determinations***

368. In light of the above, the Commission determines that all aspects of the Wireless Code will take effect on **2 December 2013**.
369. The Commission finds that where an obligation relates to a specific contractual relationship between a WSP and a customer, the Wireless Code should apply if the contract is entered into, amended, renewed, or extended on or after **2 December 2013**. In addition, in order to ensure that all consumers are covered by the Wireless Code within a reasonable time frame, the Wireless Code should apply to all contracts, no matter when they were entered into, by no later than **3 June 2015**.

## **D. Enforcement and administration of the Wireless Code**

### ***Positions of parties***

370. All parties generally supported the Commission and the CCTS enforcing the Wireless Code jointly, with the CCTS being responsible for tracking and resolving consumer complaints, and the Commission being responsible for enforcing compliance by WSPs. The CCTS submitted that under its current mandate, it could only “administer” the Code, since traditional enforcement activities, including investigating business practices and sanctioning misconduct, are beyond its mandate. However, the CCTS submitted that it could collect data on complaints that it receives that would facilitate the Commission’s enforcement activities.
371. Consumer groups, including PIAC et al., argued that the CCTS’s mandate and procedural code should be modified to enable the CCTS to offer additional remedies to consumers. The CCTS and WSPs considered that this would not be necessary or appropriate.
372. Most parties agreed that it would be appropriate for the Commission to require WSPs to report on how they are implementing and complying with the Wireless Code.

### ***Commission's analysis***

373. The Commission notes the consensus among parties that the current complaint resolution model at the CCTS is functioning well. The number of complaints directed to the CCTS has steadily risen, indicating that consumers are becoming increasingly aware of the CCTS’s role in dispute resolution. Despite its increasing case load, the CCTS has been able to resolve a significant percentage of complaints – over 90 percent in 2011. The Commission agrees with the CCTS’s submission that its procedural code is sufficiently broad to provide authority for it to rely on the Wireless Code in addressing disputes related to wireless services. In light of the CCTS’s success and the evidence on the record of the proceeding, the Commission

considers that a change in the CCTS's mandate or procedural code, which sets out the complaints it can address and the means by which it can address them, is not necessary. The Commission considers that the CCTS's mandate encourages WSPs' participation in CCTS dispute resolution processes, and that the Commission's mandate enables it to address systemic or serious issues.

374. The Commission notes that, in addition to the dispute resolution function fulfilled by the CRTC, the Commission has a number of regulatory tools available to it to ensure compliance with the Wireless Code. These include the power to impose a mandatory order pursuant to section 51 of the Act and to register its decisions with the Federal Court pursuant to section 63 of the Act. The Commission notes that failure to comply with a decision registered with the Federal Court can lead to contempt proceedings.

375. In addition to the information the Commission may receive from the CCTS about the disputes it resolves, the Commission will require additional information to ensure that it can enforce the Wireless Code if WSPs are not complying. The Commission considers it especially important to monitor WSPs' compliance in implementing the requirements set out in the Wireless Code within the time frames indicated. The Commission therefore considers that WSPs should file a report outlining the steps they have taken to comply with the Wireless Code. The Commission notes that, in order to assist WSPs and ensure that the Commission obtains the information it needs, it intends to issue a set of questions that must be answered in the report before the report is due.

### **Commission's determinations**

376. The Commission hereby requests that the CCTS administer the Wireless Code. This includes (i) resolving any complaints related to the Wireless Code; (ii) monitoring trends in complaints; and (iii) reporting on both complaints and trends in its annual report. The Commission will enforce the Wireless Code by addressing issues related to (i) delayed implementation; and (ii) systemic non-compliance.

377. In addition, to ensure that WSPs are implementing the Code on time and adhering to the requirements set out in the Code, the Commission **directs** all WSPs to file a report detailing their compliance with the Wireless Code, no later than **15 January 2014**. This report must address all questions that will be set out by the Commission on this matter.

378. The Commission notes that as with any new set of rules, there may be issues of interpretation that it has not anticipated. In order to ensure the greatest benefit to consumers, if any part of the Code or a consumer's contract is ambiguous, or if it is unclear how the terms of the Code or the contract are to be applied, then the Code and the contract must be interpreted in a manner that is favourable to the consumer.

379. Moreover, if at any time WSPs or other interested parties are unclear about the application or interpretation of the Wireless Code or this decision, they may seek guidance or interpretation from the Commission. The Commission reserves the right to issue guidelines of general application.

## **E. Promotion of the Wireless Code**

### ***Positions of parties***

380. All parties generally agreed that WSPs should be required to notify their customers of the Wireless Code on their websites and billing statements, and in their contracts, as well as when they receive a complaint about wireless services. Parties also agreed that the responsibility for promoting and raising awareness of the Code should be shared between WSPs, the CWTA, and the CCTS. Some parties noted that the Code's promotion should extend beyond website advertisements, while others submitted that consumer information tools should also be used.

### ***Commission's analysis***

381. The Commission considers that the Wireless Code must be accompanied by a promotion and awareness campaign to ensure that the rights and requirements set out in the Code are well understood by consumers and WSPs. The Commission notes that because consumers' dealings with wireless services occur through WSPs, consumers need to have access to knowledgeable staff or resources in order to ensure that consumers obtain the information they need. As such, the Commission considers it important for WSPs to ensure that their staff and agents are knowledgeable of and promote the Code.

382. To assist WSPs and other parties with promoting the Code, the Commission has produced a checklist that highlights the most important aspects of the Code for consumers of prepaid and postpaid wireless services. This document, which is titled *Your Rights as a Wireless Consumer*, is set out as Appendix 2 to this decision (the consumer checklist).

383. The Commission also considers that consumers must be able to easily find information about the Code on the WSPs' websites. This would require that WSPs provide prominent links to the consumer checklist on their websites. Prominent means that customers must be able to access the consumer checklist within one click of the WSPs' home page and within one "click" of all pages describing their wireless service offerings. To increase customer awareness, these links should be available as soon as possible, but no later than the date on which the Wireless Code takes effect. The Commission also encourages the CCTS and the CWTA to publicize and provide links to the Wireless Code and consumer checklist on their websites. The Commission considers that the Code's promotion should be as broad as possible, using a variety of communication methods in addition to the Web, including advertisements, in-store materials, and a standard notification on billing statements.

384. In addition, given the impact of the Wireless Code on consumers, as well as the Code's importance, the Commission considers that WSPs must add notifications regarding the consumer checklist to their billing statements and describe how they have promoted the Code in the compliance reports described above.

### ***Commission's determinations***

385. To ensure the effective and universal promotion of the Wireless Code, the Commission hereby **directs** all WSPs to
- a) ensure that their customer service representatives are (i) knowledgeable of the Wireless Code; (ii) able to effectively describe the Code's provisions; and (iii) able to explain recourse options for customers;
  - b) provide prominent links to the consumer checklist on their websites – on their home page and on all pages on which their wireless service plans and offerings are described;
  - c) add a notification regarding the consumer checklist to their billing statements on two separate occasions: one in the month that the Wireless Code takes effect, and one three months later; and
  - d) include information on their promotion of the Code in their compliance reports filed with the Commission.

## **F. Measuring and reviewing the effectiveness of the Wireless Code**

### ***Positions of parties***

386. Parties generally submitted that multiple methods of measuring the effectiveness of the Wireless Code would be appropriate, including complaints measurement and public opinion research. Most parties agreed that the Wireless Code should be reviewed within three years.
387. Many parties noted that while the CCTS's complaint statistics are important, they are an incomplete measure of the Wireless Code's success. Nearly all parties suggested some form of consumer survey or public opinion research to gather consumers' views on the functioning of the Code. Some parties, notably PIAC et al., submitted that evaluation metrics should be tied to objectives, while other parties suggested that overall market conditions should be used to measure the Wireless Code's success. Some WSPs, including Bell Canada et al. and TCC submitted that performance indicators such as churn, pricing, and device penetration are inappropriate and not specific enough to the Wireless Code.

### ***Commission's analysis***

388. The Commission notes that the Canadian wireless market is shaped by a number of factors and that it will be challenging to separate the effects of the Wireless Code from other variables affecting the market. However, clear measures of success will help maximize the effectiveness of the Wireless Code and facilitate its review at a later date.

389. The Commission considers that the two key objectives of the Wireless Code are to empower consumers by setting a baseline for industry behaviour, and to inform consumers of their rights and responsibilities, with the eventual goal of contributing to a more dynamic marketplace.
390. The Commission considers that complaint data will be particularly relevant regarding the provisions set out in the Wireless Code that are intended to change current market practice. For example, complaints related to bill shock, 30-day cancellation policies, early cancellation fees, and contract changes should decrease. However, the Commission notes that promotion of the Wireless Code may result in an increase in complaints to the CCTS as consumers become more aware of the CCTS and of the Code. As such, the Commission considers that complaint data on a particular issue would need to be analyzed in terms of the total number of wireless subscribers and the total number of complaints. The Commission also considers that data on the effectiveness of complaint resolution (specifically, time taken to achieve resolution) will be relevant.
391. However, the Commission considers that complaint data will only provide limited insight into the effectiveness of the provisions set out in the Wireless Code that target consumer education and clarifying information for consumers. The Commission considers that public opinion research, surveys, focus groups, or another form of direct polling of consumers would be the optimal way to collect information on their understanding of their wireless service contracts and their related rights.
392. The Commission considers it appropriate to develop an evaluation plan for to evaluate the effectiveness of the Wireless Code, including the WSPs' compliance reports referred to above. The results of this evaluation will form part of a formal review of the Wireless Code following its implementation. The Commission considers that a three-year time frame for this review is appropriate to (i) monitor compliance with the Code, (ii) ensure the Code's effectiveness, and (iii) correct any issues that may develop during the implementation process.

### ***Commission's determinations***

393. The Commission intends to initiate a formal review of the Wireless Code within three years of its implementation.

### **Conclusion**

394. The Commission **directs** Canadian carriers that provide retail mobile wireless voice and data services to individuals or small business consumers to adhere to the rules set out in the attached Wireless Code, as a condition of providing these services pursuant to section 24 of the Act no later than **2 December 2013**.
395. The Commission also **directs** Canadian carriers, as a condition of providing telecommunications services that WSP resellers use to provide retail mobile wireless services, to include in their service contracts or other arrangements with

these service providers the requirement that the purchaser of the service, and any or all of their wholesale customers and subordinate wholesale customers, abide by the condition in the previous paragraph.

396. As noted above, the Commission further **directs** all WSPs to
- a) report on what wireless service plans they offer for people with disabilities, how they promote these plans, and what accessibility-specific customer service resources are available to consumers by **3 March 2014**;
  - b) file a report detailing their compliance with the Wireless Code, no later than **15 January 2014**; and
  - c) promote the Code as set out in paragraph 385.

### **Consistency with the Policy Direction**

397. The Policy Direction requires, among other things, that the Commission rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives set out in the Act. The Policy Direction also requires the Commission to regulate, where there is still a need to do so, in a manner that interferes with market forces to the minimum extent necessary to meet these policy objectives.
398. Consistent with subparagraph 1(a)(i) of the Policy Direction, the Commission considers that market forces alone cannot be relied upon to ensure that consumers have the information they need to participate effectively in the wireless service market.
399. Consistent with subparagraph 1(a)(ii) of the Policy Direction, the Commission considers that the regulatory requirements set out in the Wireless Code are efficient and proportionate to their purpose, and minimally interfere with market forces. As noted in Telecom Decision 2012-556, the Commission considers that the most efficient, least intrusive way of achieving the objective of ensuring that consumers understand their rights and responsibilities with respect to wireless services is the development of a code. In reviewing each individual obligation set out in this decision, the Commission has considered the burden that will be imposed on the WSPs in complying with the obligation, as well as the potential impact on existing business models. If an obligation has been imposed, it has been carefully tailored to ensure that it targets the real problem for consumers, and that WSPs retain the maximum amount of flexibility possible to determine how best to implement the obligation in order to meet the needs of their customers.

400. The Commission considers that the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act<sup>12</sup> are advanced by the regulatory measures established in this decision.
401. Consistent with subparagraph 1(b)(iii) of the Policy Direction, which requires that regulatory measures that are not of an economic nature be implemented, to the greatest extent possible, in a symmetrical and competitively neutral manner, the Commission considers that the development of a code for wireless services is symmetrical across all WSPs, regardless of the technology they use, the geographic market in which they operate, and their size.

Secretary General

### Related documents

- *Proceeding to establish a mandatory code for mobile wireless services*, Telecom Notice of Consultation CRTC 2012-557, 11 October 2012, as amended by Telecom Notices of Consultation CRTC 2012-557-1, 1 November 2012; 2012-557-2, 21 December 2012; 2012-557-3, 28 January 2013; 2012-557-4, 11 February 2013, and 2012-557-5, 13 March 2013
- *Decision on whether the conditions in the mobile wireless market have changed sufficiently to warrant Commission intervention with respect to mobile wireless services*, Telecom Decision CRTC 2012-556, 11 October 2012
- *Proceeding to consider whether the conditions in the Canadian wireless market have changed sufficiently to warrant Commission intervention with respect to retail wireless services*, Telecom Notice of Consultation CRTC 2012-206, 4 April 2012
- *Review of the Commissioner for Complaints for Telecommunications Services*, Telecom Regulatory Policy CRTC 2011-46, 26 January 2011
- *Review of the Commissioner for Complaints for Telecommunications Services – Decision on membership*, Telecom Decision CRTC 2010-921, 8 December 2010
- *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009

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<sup>12</sup> The cited policy objectives of the Act are

7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions;  
7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;  
7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and  
7(h) to respond to the economic and social requirements of users of telecommunications services.

- *Establishment of an independent telecommunications consumer agency*, Telecom Decision CRTC 2007-130, 20 December 2007
- *Implementation of wireless number portability*, Telecom Decision CRTC 2005-72, 20 December 2005
- *Prince Rupert City Telephones – Cellular service forbearance*, Telecom Decision CRTC 2004-84, 21 December 2004
- *CRTC refrains from regulating O.N. Telcom's delivery of mobile wireless services*, Order CRTC 2001-501, 29 June 2001
- Telecom Order CRTC 99-991, 13 October 1999
- *Forbearance from Regulation of Mobile Wireless Services Provided by Municipally Owned Telephone Companies*, Telecom Decision CRTC 98-19, 9 October 1998
- *Regulation of mobile wireless telecommunications services*, Telecom Decision CRTC 96-14, 23 December 1996
- *Regulation of wireless services*, Telecom Decision CRTC 94-15, 12 August 1994

### The Wireless Code

The Canadian Radio-television and Telecommunications Commission (CRTC) has created this Wireless Code (the Code) so that consumers of retail mobile wireless voice and data services (wireless services) will be better informed of their rights and obligations contained in their contracts with wireless service providers (service providers).

The Wireless Code will

- (i) make it easier for individual and small business customers to obtain and understand the information in their wireless service contracts;
- (ii) establish consumer-friendly business practices for the wireless service industry where necessary; and
- (iii) contribute to a more dynamic wireless market.

The Code applies to all wireless services, whether purchased on a stand-alone basis or as part of a bundle, and whether purchased in person, online, or over the phone. All service providers must comply with the Code. All sections of the Code apply to postpaid services. The following sections of the Code also apply to prepaid services: A. 1-3; B. 2; E. 1, E. 4, and E. 5; F. 1-4; G. 1-4; and J. 1.

Definitions of terms used in the Code are provided at the end of the Code. Defined terms are indicated in *italics and bold* the first time they appear in the Code.

If any part of the Code or the customer's contract is ambiguous, or if it is unclear how the terms of the Code or the contract are to be applied, then the Code and the contract must be interpreted in a manner that is favourable to the customer.

A customer who believes that their service provider is not adhering to the Code should first try to resolve the problem directly with the service provider. If the customer is not satisfied with the service provider's response, they can contact the Commissioner for Complaints for Telecommunications Services Inc. (CCTS) as follows:

Mail: P.O. Box 81088, Ottawa ON K1P 1B1  
Website: [www.ccts-cprst.ca](http://www.ccts-cprst.ca)  
Toll-free: 1-888-221-1687  
TTY: 1-877-782-2384  
Email: [response@ccts-cprst.ca](mailto:response@ccts-cprst.ca)  
Fax: 1-877-782-2924

<b>A. Clarity</b>	
<b>1. Plain language</b>	<ul style="list-style-type: none"> <li>(i) A <i>service provider</i> must communicate with <i>customers</i> using plain language.</li> <li>(ii) A service provider must ensure that its <i>written contracts</i> and <i>related documents</i>, such as <i>privacy policies</i> and <i>fair use policies</i>, are written in a way that is clear and easy for customers to read and understand.</li> </ul>
<b>2. Prices</b>	<ul style="list-style-type: none"> <li>(i) A service provider must ensure that the prices set out in the <i>contract</i> are clear and must indicate whether these prices include taxes.</li> </ul>
<b>3. Unlimited services</b>	<ul style="list-style-type: none"> <li>(i) A service provider must not charge a customer any <i>overage charge</i> for services purchased on an unlimited basis.</li> <li>(ii) A service provider must not limit the use of a service purchased on an unlimited basis unless these limits are clearly explained in the fair use policy.</li> </ul>
<b>B. Contracts and related documents</b>	
<b>1. Postpaid service contracts</b>	<ul style="list-style-type: none"> <li>(i) A service provider must give the customer a <i>permanent copy</i> of the contract and related documents at no charge in the following circumstances: <ul style="list-style-type: none"> <li>a. If the contract is agreed to in person, the service provider must give the contract and related documents to the customer immediately after the customer agrees to the contract.</li> <li>b. If the contract is not agreed to in person (i.e. if it is agreed to over the phone, online, or otherwise at a distance), the service provider must send the contract and related documents to the customer within 15 calendar days of the customer agreeing to the contract. If a service provider fails to do this, or if the terms and conditions of the permanent copy of the contract conflict with the terms and conditions that the customer agreed to, the customer may, within 30 calendar days of receiving the permanent copy of the contract, cancel the contract without paying an <i>early cancellation fee</i> or any other penalty.</li> <li>c. The service provider must also provide the customer with a paper copy of the contract upon request at no charge, at any time during the <i>commitment period</i>.</li> </ul> </li> <li>(ii) The permanent copy of the contract and related documents must be a paper copy, unless the customer expressly and knowingly decides that an electronic copy is acceptable.</li> <li>(iii) A service provider must provide a customer with a copy of the contract in an alternative format for people with disabilities upon request, at no charge, at any time during the commitment period.</li> <li>(iv) Contracts for postpaid services must set out all of the information listed below in a clear manner (items a-m): <ul style="list-style-type: none"> <li><b>Key contract terms and conditions</b> <ul style="list-style-type: none"> <li>a. the services included in the contract and any limits on the use of those services that could trigger overage charges or additional fees;</li> <li>b. the <i>minimum monthly charge</i> for services included in the contract;</li> <li>c. the commitment period, including the end date of the contract;</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>d. if applicable <ul style="list-style-type: none"> <li>i. the total early cancellation fee;</li> <li>ii. the amount by which the early cancellation fee will decrease each month; and</li> <li>iii. the date on which the customer will no longer be subject to the early cancellation fee;</li> </ul> </li> <li>e. if a <i>subsidized device</i> is provided as part of the contract, <ul style="list-style-type: none"> <li>i. the retail price of the device, which is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the service provider without a contract;</li> <li>ii. the amount the customer paid for the device; and</li> <li>iii. the fee to unlock the device, if any;</li> </ul> </li> </ul> <p><b>Other aspects of the contract</b></p> <ul style="list-style-type: none"> <li>f. an explanation of all related documents, including privacy policies and fair use policies;</li> <li>g. all one-time costs, itemized separately;</li> <li>h. the trial period for the contract, including the associated limits on use;</li> <li>i. rates for <i>optional services</i> selected by the customer at the time the contract is agreed to;</li> <li>j. whether the contract will be extended automatically on a month-to-month basis when it expires, and if so, starting on what date;</li> <li>k. whether upgrading the device or otherwise amending a contract term or condition would extend the customer's commitment period or change any other aspect of the contract;</li> <li>l. if applicable, the amount of any security deposit and any applicable conditions, including the conditions for return of the deposit; and</li> <li>m. where customers can find information about <ul style="list-style-type: none"> <li>i. rates for optional and <i>pay-per-use services</i>;</li> <li>ii. the device manufacturer's warranty;</li> <li>iii. tools to help customers manage their bills, including notifications on data usage and <i>roaming</i>, data caps, and usage monitoring tools;</li> <li>iv. the service provider's service coverage area, including how to access complete <i>service coverage maps</i>;</li> <li>v. how to contact the service provider's customer service department;</li> <li>vi. how to make a complaint about <i>wireless services</i>, including contact information for the <i>Commissioner for Complaints for Telecommunications Services Inc. (CCTS)</i>; and</li> <li>vii. the Wireless Code.</li> </ul> </li> </ul>
<p><b>2. Prepaid service contracts</b></p>	<ul style="list-style-type: none"> <li>(i) A service provider must inform the customer of all conditions and fees that apply to the prepaid balance.</li> <li>(ii) A service provider must explain to the customer how they can <ul style="list-style-type: none"> <li>a. check their usage balance;</li> <li>b. contact the service provider's customer service department; and</li> <li>c. complain about the service, including how to contact the CCTS.</li> </ul> </li> </ul>

	<p>(iii) A service provider must provide this information separately if it does not appear on a prepaid card or in the written contract.</p> <p>(iv) If a device is provided as part of a prepaid service contract, a service provider must also inform the customer of</p> <ol style="list-style-type: none"> <li>a. where applicable <ol style="list-style-type: none"> <li>i. the total early cancellation fee;</li> <li>ii. the amount by which the early cancellation fee will decrease each month; and</li> <li>iii. the date on which the customer will no longer be subject to the early cancellation fee;</li> </ol> </li> <li>b. the retail price of the device, which is the lesser of the manufacturer’s suggested retail price or the price set for the device when it is purchased from the service provider without a contract;</li> <li>c. the amount the customer paid for the device;</li> <li>d. the fee to unlock the device, if any; and</li> <li>e. where customers can find information about device upgrades and the manufacturer’s warranty.</li> </ol> <p>(v) A service provider must give the customer a copy of the contract in an alternative format for people with disabilities upon request, at no charge, at any time during the commitment period.</p>
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**C. Critical Information Summary**

<b>1. Critical Information Summary</b>	<p>(i) A service provider must provide a Critical Information Summary to customers when they provide a permanent copy of the contract for postpaid services. This document summarizes the most important elements of the contract for the customer.</p> <p>(ii) A service provider must ensure that the Critical Information Summary contains all of the following:</p> <ol style="list-style-type: none"> <li>a. a complete description of all key contract terms and conditions (see item B. 1. (iv) a-e listed above);</li> <li>b. the total monthly charge, including rates for optional services selected by the customer at the time the contract is agreed to;</li> <li>c. information on all one-time charges and additional fees; and</li> <li>d. information on how to complain about the service provider’s wireless services, including how to contact the service provider’s customer service department and the CCTS.</li> </ol> <p>(iii) A service provider must ensure that the Critical Information Summary</p> <ol style="list-style-type: none"> <li>a. accurately reflects the content of the contract;</li> <li>b. is either provided as a separate document from the written contract or included prominently on the first two pages of the written contract; and</li> <li>c. is clear and concise (does not exceed two pages), uses plain language, and is in an easily readable font.</li> </ol>
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**D. Changes to contracts and related documents**

<b>1. Changes to key contract terms and conditions</b>	<p>(i) A service provider must not change the key contract terms and conditions of a postpaid wireless contract during the commitment period without the customer’s informed and express consent.</p>
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	<ul style="list-style-type: none"> <li>(ii) When a service provider notifies a customer that it intends to change a key contract term or condition during the commitment period, the customer may refuse the change.</li> <li>(iii) As an exception, a service provider may only change a key contract term or condition during the commitment period without the customer's express consent if it clearly benefits the customer by either <ul style="list-style-type: none"> <li>a. reducing the rate for a single service; or</li> <li>b. increasing the customer's usage allowance for a single service.</li> </ul> </li> </ul>
<b>2. Changes to other contract terms and conditions or related documents</b>	<ul style="list-style-type: none"> <li>(i) If, during the commitment period, a service provider wishes to change other contract terms and conditions or the related documents, it must provide the customer with at least 30 calendar days' notice before making such changes.</li> <li>(ii) This notice must explain the change and when it will take effect.</li> </ul>
<b>E. Bill management</b>	
<b>1. International roaming notification</b>	<ul style="list-style-type: none"> <li>(i) A service provider must notify the customer, at no charge, when their device is roaming in another country. The notification must clearly explain the associated rates for voice, text messaging, and data services.</li> <li>(ii) Customers may opt out of receiving these notifications at any time.</li> </ul>
<b>2. Cap on data roaming charges</b>	<ul style="list-style-type: none"> <li>(i) A service provider must suspend national and international data roaming charges once they reach \$100 within a single monthly billing cycle, unless the customer expressly consents to pay additional charges.</li> <li>(ii) A service provider must provide this cap at no charge.</li> </ul>
<b>3. Cap on data overage charges</b>	<ul style="list-style-type: none"> <li>(i) A service provider must suspend data overage charges once they reach \$50 within a single monthly billing cycle, unless the customer expressly consents to pay additional charges.</li> <li>(ii) A service provider must provide this cap at no charge.</li> </ul>
<b>4. Unsolicited wireless services</b>	<ul style="list-style-type: none"> <li>(i) A service provider must not charge for any device or service that the customer has not expressly purchased.</li> </ul>
<b>5. Mobile premium services</b>	<ul style="list-style-type: none"> <li>(i) If a customer contacts their service provider to inquire about a charge for a mobile premium service, the service provider must explain to the customer how to unsubscribe from the mobile premium service.</li> </ul>
<b>F. Mobile device issues</b>	
<b>1. Unlocking</b>	<ul style="list-style-type: none"> <li>(i) A service provider that provides a <i>locked device</i> to the customer as part of a contract must <ul style="list-style-type: none"> <li>a. for subsidized devices: unlock the device, or give the customer the means to unlock the device, upon request, at the rate specified by the service provider, no later than 90 calendar days after the contract start date.</li> <li>b. for unsubsidized devices: unlock the device, or give the customer the means to unlock the device, at the rate specified by the service provider, upon request.</li> </ul> </li> </ul>
<b>2. Warranties</b>	<ul style="list-style-type: none"> <li>(i) A service provider must inform the customer of the existence and duration of a manufacturer's warranty on a device before offering an extended warranty or insurance on that device.</li> </ul>

<p><b>3. Lost or stolen devices</b></p>	<p>(i) When a customer notifies their service provider that their device has been lost or stolen,</p> <ul style="list-style-type: none"> <li>a. the service provider must immediately <i>suspend</i> the customer’s service at no charge; and</li> <li>b. the terms and conditions of the contract will continue to apply, including the customer’s obligation to pay <ul style="list-style-type: none"> <li>i. all charges incurred before the service provider received notice that the device was lost or stolen; and</li> <li>ii. either the minimum monthly charge (and taxes), if the customer continues with the contract, or the applicable early cancellation fee, if the customer cancels the contract.</li> </ul> </li> </ul> <p>(ii) If the customer notifies the service provider that their device has been located or replaced and requests that their service be restored, the service provider must restore the service at no charge.</p>
<p><b>4. Repairs</b></p>	<p>(i) A service provider must suspend wireless service charges during device repairs upon request if all of the following conditions are met:</p> <ul style="list-style-type: none"> <li>a. the device was provided as part of a contract with the service provider and is returned to the service provider for repair;</li> <li>b. the device is under the manufacturer’s or the service provider’s warranty;</li> <li>c. the service provider did not provide a free replacement device for use during the repair; and</li> <li>d. the customer would incur an early cancellation fee if they were to cancel their wireless services.</li> </ul>
<p><b>G. Contract cancellation and extension</b></p>	
<p><b>1. Early cancellation fees – General</b></p>	<p>(i) If a customer cancels a contract before the end of the commitment period, the service provider must not charge the customer any fee or penalty other than the early cancellation fee. This fee must be calculated in the manner set out in sections 2. and 3. below.</p> <p>(ii) When calculating the time remaining in a contract to determine the early cancellation fee, a month that has partially elapsed at the time of cancellation is considered a month completely elapsed.</p>
<p><b>2. Early cancellation fees – Subsidized device</b></p>	<p>(i) When a subsidized device is provided as part of the contract,</p> <ul style="list-style-type: none"> <li>a. for <i>fixed-term contracts</i>: The early cancellation fee must not exceed the value of the <i>device subsidy</i>. The early cancellation fee must be reduced by an equal amount each month, for the lesser of 24 months or the total number of months in the contract term, such that the early cancellation fee is reduced to \$0 by the end of the period.</li> <li>b. for <i>indeterminate contracts</i>: The early cancellation fee must not exceed the value of the device subsidy. The early cancellation fee must be reduced by an equal amount each month, over a maximum of 24 months, such that the early cancellation fee is reduced to \$0 by the end of the period.</li> </ul> <p>(ii) When calculating the early cancellation fee,</p> <ul style="list-style-type: none"> <li>a. the value of the device subsidy is the retail price of the device minus the amount that the customer paid for the device when the contract was agreed to; and</li> <li>b. the retail price of the device is the lesser of the manufacturer’s suggested retail price or the price set for the device when it is purchased from the service provider without a contract.</li> </ul>

<b>3. Early cancellation fees – No subsidized device</b>	<ul style="list-style-type: none"> <li>(i) When a subsidized device is not provided as part of the contract, <ul style="list-style-type: none"> <li>a. for fixed-term contracts: The early cancellation fee must not exceed the lesser of \$50 or 10 percent of the minimum monthly charge for the remaining months of the contract, up to a maximum of 24 months. The early cancellation fee must be reduced to \$0 by the end of the period.</li> <li>b. for indeterminate contracts: A service provider must not charge an early cancellation fee.</li> </ul> </li> </ul>
<b>4. Trial period</b>	<ul style="list-style-type: none"> <li>(i) When a customer agrees to a contract through which they are subject to an early cancellation fee, a service provider must offer the customer a trial period lasting a minimum of 15 calendar days to enable the customer to determine whether the service meets their needs.</li> <li>(ii) The trial period must start on the date on which service begins.</li> <li>(iii) A service provider may establish reasonable limits on the use of voice, text, and data services for the trial period.</li> <li>(iv) During the trial period, customers may cancel their contract without penalty or early cancellation fee if they have <ul style="list-style-type: none"> <li>a. used less than the permitted usage; and</li> <li>b. returned any device provided by the service provider, in near-new condition, including original packaging.</li> </ul> </li> <li>(v) If a customer self-identifies as a person with a disability, the service provider must extend the trial period to at least 30 calendar days, and the permitted usage amounts must be at least double the service provider’s general usage amounts for the trial period.</li> </ul>
<b>5. Cancellation date</b>	<ul style="list-style-type: none"> <li>(i) Customers may cancel their contract at any time by notifying their service provider.</li> <li>(ii) Cancellation takes effect on the day that the service provider receives notice of the cancellation.</li> </ul>
<b>6. Contract extension</b>	<ul style="list-style-type: none"> <li>(i) To ensure that customers are not disconnected at the end of the commitment period, a service provider may extend a contract, with the same rates, terms and conditions, on a month-to-month basis.</li> <li>(ii) A service provider must notify a customer on a fixed-term contract at least 90 calendar days before the end of their initial commitment period whether or not the contract will be automatically extended.</li> <li>(iii) At the time that a service provider offers a customer a device upgrade, the service provider must clearly explain to the customer any changes to the existing contract terms caused by accepting the new device, including any extension to the commitment period.</li> </ul>
<b>H. Security deposits</b>	
<b>1. Requesting, reviewing, and returning a security deposit</b>	<ul style="list-style-type: none"> <li>(i) If a service provider requires a security deposit from a customer, the service provider must <ul style="list-style-type: none"> <li>a. inform the customer of the reasons for requesting the deposit;</li> <li>b. keep a record of those reasons for as long as the service provider holds the deposit;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>c. specify in the written contract the conditions for the return of the security deposit;</li> <li>d. review the continued appropriateness of retaining the deposit at least once per year; and</li> <li>e. return the security deposit with interest to the customer, retaining only any amount owed by the customer, no more than 30 calendar days after <ul style="list-style-type: none"> <li>i. the contract is terminated by either the customer or the service provider; or</li> <li>ii. the service provider determines that the conditions for the return of the security deposit have been met.</li> </ul> </li> </ul> <p>(ii) A service provider must calculate interest on security deposits using the Bank of Canada’s overnight rate in effect at the time, plus at minimum one percent, on the basis of the actual number of days in a year, accruing on a monthly basis.</p> <p>(iii) A service provider may apply the security deposit toward any amount past due and may require customers to replenish the security deposit after such use in order to continue providing service.</p>
<p><b>I. Disconnection</b></p>	
<p><b>1. When disconnection may occur</b></p>	<ul style="list-style-type: none"> <li>(i) If the grounds for disconnecting a customer are failure to pay, a service provider can disconnect a customer’s postpaid service only if the customer <ul style="list-style-type: none"> <li>a. fails to pay an account that is past due, provided it exceeds \$50 or has been past due for more than two months;</li> <li>b. fails to provide or maintain a reasonable security deposit or alternative when requested to do so by the service provider; or</li> <li>c. agreed to a deferred payment plan with the service provider and fails to comply with the terms of this plan.</li> </ul> </li> <li>(ii) Except with customer consent or in other exceptional circumstances, disconnection may occur only on weekdays between 8 a.m. and 9 p.m. or on weekends between 9 a.m. and 5 p.m., unless the weekday or weekend day precedes a statutory holiday, in which case disconnection may not occur after noon. The applicable time is that of the customer’s declared place of residence.</li> <li>(iii) If a service provider disconnects a customer in error, the service provider must restore service to the customer by the end of the next business day and must not impose reconnection charges.</li> </ul>
<p><b>2. Notice before disconnection</b></p>	<ul style="list-style-type: none"> <li>(i) If a service provider intends to disconnect a customer, it must notify the customer before disconnection, except in cases where <ul style="list-style-type: none"> <li>a. action is necessary to protect the network from harm; or</li> <li>b. the service provider has a reasonable suspicion that fraud is occurring or likely to occur.</li> </ul> </li> <li>(ii) In all other cases, a service provider must give reasonable notice to the customer at least 14 calendar days before disconnection. The notice must contain the following information: <ul style="list-style-type: none"> <li>a. the reason for disconnection and amount owing (if any);</li> <li>b. the scheduled disconnection date;</li> <li>c. the availability of deferred payment plans;</li> <li>d. the amount of the reconnection charge (if any); and</li> <li>e. contact information for a service provider representative with whom the disconnection can be discussed.</li> </ul> </li> </ul>

	<p>(iii) A service provider must provide a second notice to advise a customer that their service will be disconnected at least 24 hours before disconnection, except if</p> <ul style="list-style-type: none"> <li>a. repeated attempts to contact the customer have failed;</li> <li>b. action is necessary to protect the network from harm; or</li> <li>c. the service provider has a reasonable suspicion that fraud is occurring or likely to occur.</li> </ul>
<p><b>3. Disputing disconnection charges</b></p>	<p>(i) A service provider must not disconnect a customer if</p> <ul style="list-style-type: none"> <li>a. the customer notifies the service provider on or before the scheduled disconnection date listed in the notice that they dispute the reasons for the disconnection;</li> <li>b. the customer pays the amount due for any undisputed portion of the charges; and</li> <li>c. the service provider does not have reasonable grounds to believe that the purpose of the dispute is to evade or delay payment.</li> </ul>
<p><b>J. Expiration of prepaid cards</b></p>	
<p><b>1. General</b></p>	<p>(i) A service provider must keep open the accounts of customers with prepaid cards for at least seven calendar days following the expiration of an activated card, at no charge, to give the customer more time to “top up” their account and retain their prepaid balance.</p>

<b>The Wireless Code – Definitions</b>	
<b>Canadian Radio-television and Telecommunications Commission (CRTC)</b>	A public organization that regulates and supervises the Canadian broadcasting and telecommunications systems to ensure that Canadians have access to a world-class communication system.
<b>Commissioner for Complaints for Telecommunications Services Inc. (CCTS)</b>	An independent organization dedicated to working with customers and their telecommunications service providers to resolve complaints relating to their telecommunications services. The CCTS (i) responds to and resolves complaints from customers in order to ensure that they are treated in a way that is consistent with the Wireless Code; and (ii) collects data on complaints related to the Wireless Code. This data will be published on the CCTS's website at <a href="http://www.ccts-cprst.ca">www.ccts-cprst.ca</a> .
<b>Commitment period</b>	The term or duration of the contract. For fixed-term contracts, the commitment period is the entire duration of the contract. For indeterminate contracts, the commitment period is the current month or billing cycle.
<b>Contract and written contract</b>	A contract is a binding agreement between a service provider and a customer to provide wireless services. A written contract is a written instrument that expresses the content of the contract.
<b>Customers</b>	Individuals or small businesses subscribing to retail mobile wireless services.
<b>Device subsidy</b>	The difference between (i) the lesser of the manufacturer's suggested retail price of a device or the price set for the device when it is purchased from the service provider without a contract; and (ii) the amount a customer paid for the device when they agreed to the contract.
<b>Disconnection</b>	The termination of wireless services by a service provider.
<b>Early cancellation fee</b>	A fee that may be applied when a customer's service is cancelled before the end of the commitment period.
<b>Fair (or acceptable) use policy</b>	A policy that explains what is considered to be unacceptable use of the service provider's wireless services and the consequences of unacceptable use (e.g. using the service to engage in an activity that constitutes a criminal offence). Violations of a fair or acceptable use policy may result in (i) disconnection or service suspension; or (ii) a modification of the services available to the customer.
<b>Fixed-term contracts</b>	Contracts that have a set duration (usually one, two, or three years).
<b>Indeterminate contracts</b>	Indeterminate contracts do not have a set duration. They automatically renew each month.
<b>Key contract terms and conditions</b>	The elements of the contract that the service provider cannot change without the customer's express consent. Key contract terms and conditions are listed in section B. 1. (iv) a-e of the Code.
<b>Locked device</b>	A wireless device that is programmed to work only with the network of the service provider that sold the device to the customer.
<b>Minimum monthly charge</b>	The minimum amount that customers will have to pay for wireless services each month if they do not use optional services or incur any additional fees or overage charges. This charge may be subject to taxes, as set out in the contract.
<b>Mobile premium services (or premium text messaging services)</b>	Text message services that customers may subscribe to for an additional charge, usually on a per-message basis.

<b>The Wireless Code – Definitions (cont'd)</b>	
<b>Optional services</b>	Services that a customer can choose to add to their wireless plan, usually for an additional charge, such as caller ID or call forwarding.
<b>Overage charge</b>	A charge for exceeding an established limit on the use of a service.
<b>Pay-per-use services</b>	Services that a customer can choose to add to their wireless plan, such as international roaming, which are typically measured and charged on a usage basis.
<b>Permanent copy</b>	An inalterable copy (e.g. a paper copy or PDF version) of the contract, as of the date of signing or the date of the latest amendment.
<b>Postpaid services</b>	Wireless services that are paid for after use, usually upon receipt of a monthly bill.
<b>Prepaid services</b>	Wireless services that are purchased in advance of use, such as the use of prepaid cards and pay-as-you-go services.
<b>Privacy policy</b>	A policy that explains how service providers will handle customers' personal information.
<b>Related documents</b>	Any documents referred to in the contract that affect the customer's use of the service provider's services. Related documents include, but are not limited to, privacy policies and fair use policies.
<b>Roaming</b>	The use of wireless services outside the service provider's network area.
<b>Service coverage maps</b>	An illustration of the extent of the service provider's network, showing where coverage is available.
<b>Service provider</b>	A provider of retail mobile wireless voice and data services.
<b>Subsidized device</b>	A wireless device that is sold to a customer by a service provider at a reduced price as part of a contract. A wireless device that is (i) purchased by the customer at full price; or (ii) not purchased as part of the contract is not a subsidized device.
<b>Suspension (of a customer's service)</b>	A temporary halt in wireless service that can result from a lack of payment or hitting a pre-determined spending or usage limit. The customer's account and contract remain in force during service suspension.
<b>Unlimited services</b>	The unlimited use of specific services (e.g. unlimited local calling), for a fixed price.
<b>Wireless services</b>	Retail mobile wireless voice and data services.

### Your Rights as a Wireless Consumer

The CRTC's **Wireless Code** comes into effect on **2 December 2013**. The Wireless Code establishes basic rights for all wireless consumers and puts new requirements on service providers. The Wireless Code significantly limits cancellation fees and requires your service provider to unlock phones, to offer a trial period for wireless contracts, and to set default caps on data charges to help you avoid bill shock.

*Do you know your rights? This checklist will help you to understand the most important things that the Code does for you. For more information, visit the CRTC's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), where you can find the Wireless Code, which explains all of your rights as a wireless consumer in greater detail.*

**Do you pay a bill *after* you use your wireless service? If so, you use *postpaid* services, and you have the right**

- to cancel your contract at no cost after a maximum of two years
- to cancel your contract and return your phone at no cost, within 15 days and specific usage limits, if you are unhappy with your service
- to have your phone unlocked after 90 days, or immediately if you paid in full for your phone
- to have your service suspended at no cost if your phone is lost or stolen
- to receive a Critical Information Summary, which explains your contract in under two pages
- to receive a notification when you are roaming in a different country, telling you what the rates are for voice services, text messages, and data usage
- to limit your data overage charges to \$50 a month and your data roaming charges to \$100 a month
- to pay no extra charges for a service described as "unlimited"
- to refuse a change to the key terms and conditions of your contract, including the services in your contract, the price for those services, and the duration of your contract

**Your contract must**

- use in plain language and clearly describe the services you will receive
- include information on when and why you may be charged extra

**Do you pay *before* you use your wireless service? If so, you use *prepaid* services, and you have the right**

- to cancel your contract at no cost after a maximum of two years
- to cancel your contract and return your phone at no cost, within 15 days and specific usage limits, if you are unhappy with your service
- to have your phone unlocked after 90 days, or immediately if you paid in full for your phone
- to have your service suspended at no cost if your phone is lost or stolen
- to receive a notification when you are roaming in a different country, telling you what the rates are for voice services, text messages, and data usage
- to a minimum seven-day grace period in order to "top up" your prepaid card account and retain your balance

**Your contract must**

- use plain language
- clearly describe the conditions that apply to your prepaid balance and how you can check your balance

**Are you a person with a disability?** If so, you have the right to a copy of your contract in an alternative format at no charge and to a longer (30-day) trial period to ensure that the service and phone meet your needs.

*Is your service provider respecting your rights? If you are unsure, you have the right to complain. First, try to resolve the issue with your service provider. If you are still unsatisfied, contact the Commissioner for Complaints for Telecommunications Services Inc.*

Mail: P.O. Box 81088, Ottawa ON K1P 1B1  
Website: [www.ccts-cprst.ca](http://www.ccts-cprst.ca)  
Toll-free: 1-888-221-1687

TTY: 1-877-782-2384  
Email: [response@ccts-cprst.ca](mailto:response@ccts-cprst.ca)  
Fax: 1-877-782-2924