

COMMUNICATIONS
ALLIANCE LTD



INDUSTRY GUIDELINE
PREPAID CALLING CARD
G640:2009

G640:2009 Prepaid Calling Card Industry Guideline

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INTRODUCTORY STATEMENT

The *Prepaid Calling Card Industry Guideline* (the Guideline) was developed to provide guidance to Service Providers in relation to appropriate standards for the provision and advertising of prepaid Calling Cards or point of sale prepaid card vouchers.

This Guideline applies to all forms of advertising of prepaid Calling Cards in Australia, no matter what medium the advertising takes place in. This media includes newspapers, periodicals, websites, posters, point of sale material and information on the Calling Card or prepaid card voucher itself.

The objective of the Guideline is to establish community safeguards for prepaid Calling Card Services by providing customers with sufficient information enabling them to make informed decisions about the costs and benefits of using any particular Calling Card.

It is of the utmost importance that consumers are adequately informed and provided with enough information to allow them to determine the card which best meets their needs and are able to make an adequate comparison between cards.

Industry obligations relating to prices, terms and conditions and complaint handling are contained in the Telecommunications Consumer Protections Code (TCP) Code (C628:2007) and the Telecommunications Consumer Protections Guideline (G631:2007). As a registered Code, the TCP Code is both mandatory and enforceable by the Australian Communications and Media Authority. The purpose of this Guideline is to provide guidance to Service Providers who provide prepaid Calling Cards, in addition to the TCP Code.

Prepaid Calling Card Working Committee

AUGUST 2009

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1 GENERAL

1.1 Introduction

- 1.1.1 The development of the Guideline has been facilitated by Communications Alliance through a Working Committee comprised of representatives from the telecommunications industry.
- 1.1.2 The Guideline should be read in conjunction with related legislation, including:
 - (a) the Act;
 - (b) the *Trade Practices Act 1974*.
- 1.1.3 This Guideline should be read in the context of other relevant codes, guidelines and documents, including the:
 - (a) Telecommunications Consumer Protections Code (TCP) Code (C628:2007); and
 - (b) Telecommunications Consumer Protections Guideline (G631:2007).
- 1.1.4 Compliance with this Guideline does not guarantee compliance with any legislation. The Guideline is not a substitute for legal advice.

1.2 Scope

This Guideline applies to all forms of advertising of prepaid Calling Cards and subsequent complaint handling procedures for prepaid Calling Cards in Australia, no matter what medium the advertising takes place in. This includes, newspapers, periodicals, websites, posters, point of sale material and on the Calling Card or prepaid card voucher itself.

1.3 Objectives

The objectives of this Guideline are to establish community safeguards for prepaid Calling Card Services by providing customers with sufficient information enabling them to make informed decisions about the costs and benefits of using any particular Calling Card.

The primary purpose of this Guideline is to provide guidance to Service Providers in relation to appropriate standards for both the advertising of prepaid Calling Cards and the implementation of appropriate complaint handling measures. It is of the utmost importance that consumers are adequately informed and provided with enough information to allow them to determine the card which best meets their needs and are able to make an adequate comparison between cards.

1.4 Guideline review

This Guideline will be reviewed after 2 years of the Guideline being published and every 5 years subsequently, or earlier in the event of significant developments that impact on the Guideline or a chapter within the Guideline.

2 DEFINITIONS AND INTERPRETATIONS

2.1 Definitions

For the purposes of the Guidelines:

Act

means the *Telecommunications Act 1997 (Cth)*.

Business Day

means a day that is not a Saturday, a Sunday or a Public Holiday.

Calling Card

means a method (using a dedicated card number and a PIN) for accessing either locally stored value or remote stored value for the purpose of making telephone calls or SMS, or payment for broadband or WiFi access.

DL

means a marketing brochure of the size 110mm × 220mm.

POS Material

means written material displayed or available at retail, point of sale, locations and includes both posters and DLs.

Service Provider

means an entity which provides Calling Card services.

2.2 Interpretations

In the Guideline, unless the contrary appears:

- (a) headings are for convenience only and do not affect interpretation;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) words in the singular include the plural and vice versa;
- (d) words importing persons include a body whether corporate, politic or otherwise;
- (e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) mentioning anything after include, includes or including does not limit what else might be included;
- (g) words and expressions which are not defined have the meanings given to them in the Act; and

- (h) a reference to a person includes a reference to the person's executors, administrators, successors, agents, assignees and novatees.

3 GENERAL RULES

3.1 Legal Entity

Details (including a free call or local call helpdesk number and business name) of the legal entity which supplies the services must be noted on each Calling Card.

3.2 General Stipulations

- 3.2.1 Calling Card advertising must not be false or misleading. For example, a Calling Card may not be advertised by representing that a stipulated number of minutes is available for calls using a specified prepaid Calling Card when the stipulated call duration can only be achieved if one continuous call is made.
- 3.2.2 Any advice to a user of a Calling Card that he or she has a certain number of minutes available to a certain destination must be accurate and any conditions which are attached to being able to use those minutes must be clearly spelt out at the time the advice is given.
- 3.2.3 If the service as a whole or the particular rates do not apply to an entire country, the specific locations to which the rates apply must be clearly set out. This can be done on either an inclusive or an exclusive basis.

3.3 POS Material

- 3.3.1 All advertising on point of sale material must include clear, prominent and legible information in plain language and in a minimum of 8 point font.
- 3.3.2 All printed advertising material must set out at a minimum:
 - (a) the price including any sign up cost;
 - (b) the basis for calculating charges, including:
 - (i) any peak and off peak rates or other restrictions on the time of a call. If off-peak rates are advertised more prominently than peak rates this fact must be prominently brought to the attention of the customer; and
 - (ii) any minimum time blocks or increments applied to the timed call charges and any fees applicable after such blocks;
 - (c) the conditions under which a card expires (including duration from activation or date of last recharge);
 - (d) the date as at which the prices are correct (out of date material should be quickly replaced as set out below);

- (e) any rounding applied to call charges;
 - (f) details of all surcharges and when they apply;
 - (g) details of any termination/ disconnection fees;
 - (h) details of any connection fees;
 - (i) details of any other service or similar fees;
 - (j) details of the method of operation of any mechanism which applies changes in exchange rates to the rates;
 - (k) the location or contact details of a website or call centre where the consumer may obtain complete information concerning all applicable terms and conditions;
 - (l) details of recharge methods;
 - (m) details of how to use the card, eg user guide; and
 - (n) access numbers (national and International) and any surcharges which may apply to these access numbers.
- 3.3.3 **Posters:** The information in clause 3.3.5 should be displayed on a poster in at least 10 point font in easily noticeable and readily readable colours.
- 3.3.4 **DLs:** The information in clause 3.3.5 should be displayed on a DL sufficiently prominently and so that it is readily apparent to a consumer that the terms and charges apply to the service and in any event in at least 8 point font.
- 3.3.5 **The Calling Card:** As a minimum information printed on the card should include;
- (a) the dollar value of the Calling Card;
 - (b) the expiry date;
 - (c) the helpdesk number;
 - (d) user instructions;
 - (e) card number; and
 - (f) company name.
- 3.3.6 **Requirements for disclaimers:** Service Providers should ensure that any disclaimer included in an advertisement is:
- (a) placed next to the offer;
 - (b) linked to the offer by an asterisked footnote or other symbol (or if the advertisement is for radio or television, is part of the advertisement visually or aurally); and

- (c) is readily available and clearly indicated and stated, having regard to the type of advertising and its intended audience.

3.3.7 **Up to date advertising:** A Service Provider should ensure that advertisements for Calling Cards do not contain out of date material.

3.4 Media

3.4.1 Any advertisement must clearly state that terms and conditions which may affect the number of minutes of calling time available from the Calling Card apply and reference the location of those terms and conditions.

3.4.2 Details of where the complete terms may be found must be included in any advertising material. The terms must be available on at least a website and via a toll free number.

3.5 Daily Fees

Service fees which are expressed as being applied after a certain number of days must be applied only after midnight on the last such day. For example, where the first call is made Tuesday morning and a surcharge is said to be applied after 2 days, the surcharge should only be applied after midnight on Thursday.

3.6 Changes without Notice

3.6.1 Whilst it is permissible to include a term that call charges are subject to change without notice, Service Providers must be careful to ensure that any changes made are directly referable to a change in the underlying carrier charges. Any changes must be publicised on the relevant website before or at the same time as the change to the billing platform.

3.6.2 Rate information must be correct at the time any advertising copy is provided to a newspaper, magazine or other media publisher.

3.7 Replacement of advertising material

Each Service Provider must have a detailed procedure for updating and replacing in-store advertising material which is out of date within 3 months of any change which is adverse to the customer, in the rates shown on that material.

3.8 Telemarketing

3.8.1 Service Providers will not acquire telemarketing services from any third party supplier of such services unless it is reasonably satisfied in each case, on the basis of an assessment of the third party supplier's compliance and quality control capabilities, that the supplier in question has the internal controls and compliance procedures necessary to ensure that any conduct concerning

the promotion and sale of the Service Providers services and the transfer of customers is conducted according to all applicable Communication Alliance Codes and Part V of the Act.

3.8.2 A Service Provider shall:

- (a) use its best endeavours to require the strict compliance by any telemarketer with scripts supplied by the Service Provider for the promotion and sale of its products;
- (b) ensure that the scripts supplied by the Service Provider for the promotion and sale of its products by telemarketers include at the commencement of the call the express statement that the Service Provider is not affiliated with any other telecommunications provider, and that calls may be monitored or recorded for the purposes of quality assurance, training, or compliance with the requirements of regulatory bodies;
- (c) conduct product training for call centre operators for its telemarketers sufficient to ensure they are familiar with all material features of the Service Providers products prior to conducting any telemarketing campaigns on the Service Providers behalf; and
- (d) retain, or cause the call centre operator to retain and provide to the Service Provider as soon as practicable upon request, complete recordings of all calls made to consumers up to and including the sale to a consumer. These recordings shall be retained for a period of 12 months.

3.9 Customer Service Training

Customer service representatives of Service Providers must all undergo training prior to commencing their duties. The training must ensure that the relevant personnel are completely conversant with all details of the Calling Cards, including all the fees, specific details of the products being offered, and must also include suitable training in the relevant provisions of the *Trade Practices Act* and other relevant regulatory compliance instruments.

3.10 Complaint handling process

3.10.1 Service Providers should have a complaint handling and inquiry procedure which, at a minimum:

- (a) includes a free call or local call helpline;
- (b) is answered by a live agent within a reasonable timeframe;
- (c) is staffed from 9am-5pm, Australian Eastern Standard Time, on Business Days;
- (d) is accessible, easy and convenient for customers to use;

- (e) is fair and reasonable;
 - (f) provides refunds and/ or a replacement card(s) to customers where reasonable and appropriate in the circumstances; and
 - (g) includes appropriate methods of taking action and monitoring undertakings made to complainants.
- 3.10.2 Each Service Provider should include the helpdesk/ complaint handling number on all point of sale and advertising material.
- 3.10.3 Service Providers must comply with the rules in Chapter 9, Complaint Handling, of the TCP Code.
- 3.10.4 The complaint handling procedure must meet AS/ISO 10002:2006.

3.11 Calling Card Refunds and Returns

Each Service Provider should have a card return and refund policy and process of which the retailer is fully aware.

4 REFERENCES

| Publication | Title |
|--|---|
| Industry Codes | |
| C626:2007 | Telecommunications Consumer Protections |
| Industry Guidelines | |
| G631:2007 | Telecommunications Consumer Protections |
| Industry Documents | |
| AS/ISO 10002:2006 | Customer satisfaction – Guidelines for complaints handling in organisations |
| Legislation | |
| <i>Telecommunications Act 1997 (Cth)</i> | |
| <i>Trade Practices Act 1974 (Cth)</i> | |

PARTICIPANTS

The Working Committee that developed the Guideline consisted of the following organisations and their representatives:

| Organisation | Membership | Representative |
|---------------------|-------------------|-----------------------|
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Visu Thangavelu of Communications Alliance provided project management support.

Communications Alliance was formed in 2006 to provide a unified voice for the Australian communications industry and to lead it into the next generation of converging networks, technologies and services.

In pursuing its goals, Communications Alliance offers a forum for the industry to make coherent and constructive contributions to policy development and debate.

Communications Alliance seeks to facilitate open, effective and ethical competition between Service Providers while ensuring efficient, safe operation of networks, the provision of innovative services and the enhancement of consumer outcomes.

It is committed to the achievement of the policy objective of the *Telecommunications Act 1997* - the greatest practicable use of industry self-regulation without imposing undue financial and administrative burdens on industry.



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