

TDR
ANNUAL REPORT
2014



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Report from the Chair

I am very pleased to report that the Telecommunications Dispute Resolution (TDR) Scheme continues to deliver an effective, fair and timely service to consumers.

The TDR Scheme offers an impartial dispute resolution option when consumers believe their complaints against telecommunications companies have been unjustifiably rejected.

I stress the impartiality of the TDR Scheme because there is an impression in the minds of some consumers that the service will act as their advocate; this is a misconception.

The TDR Scheme exists to resolve disputes between customers and telecommunication companies; it doesn't side with either party. It assesses whether a complaint falls within the scope of the scheme, and if it does, listens to both sides of the complaint as a step towards reaching agreement between the company and its customer. In rare cases, where a participating company reaches a deadlock with its customer, the TDR Scheme can issue a determination that is binding on the company.

I'm delighted to say that the need for formal determinations has dropped over the 6½ years the scheme has been operating. I'm under no illusion that the cost to the company when deadlock is reached is an incentive for companies to settle complaints at an early stage in the process.

At the same time, I believe the telecommunications industry has come to accept the benefit to it and its customers of quickly settling complaints.

I congratulate the telecommunications industry on developing an understanding that it is not a battle of right and wrong when a customer complains but a valuable learning tool which, if used properly, can lead to better customer relations.

Even in the relatively short time the scheme has been operating, the face of telecommunications has changed. Landline voice telephony is still an important part of the industry but there is an increasing convergence of other technologies. The mobile phone is becoming the access point to an ever-increasing array of applications from money transactions to finding your way across town to dine at a restaurant that has been rated well in a mobile phone app. The mobile phone is developing into a personal, electronic access and control device.

It is important for the TDR Scheme to keep pace with these changes, and to achieve this, it is necessary to regularly review the Scheme's Code. This has been discussed by the Council and is scheduled to take place in 2015. Side-by-side with the review of the Code, closer co-operation with other industry schemes will be essential.

The lines between banking and telecommunications, for example, will become increasingly blurred.

Protocols between the industry sectors to establish jurisdiction boundaries will benefit consumers in need of help with their complaints.

The scheme agent, Dispute Resolution Services Limited (DRSL), changed its name to FairWay Resolution Limited (FairWay) on 1 November 2013. Our sponsoring organisation, the Telecommunications Carriers Forum (TCF), has renewed its contract with the new entity for the next three years. The Council is very happy with the move – FairWay has maintained a consistent and professional service.

As always, my thanks to my fellow Council members. There have been changes on both the consumer and the industry teams during the year but this has not reduced the support for the aims of the Council.



David Russell
Chair TDR Council

Scheme Director's Report

The TDR scheme has been operating for 6½ years.

This year saw the number of enquiries steady at 1646, consistent with previous years. Of those enquiries, the vast majority (1043) were referred to the scheme members to deal with through their internal processes, as the customers had not formally notified them of the issue. The fact that very few of those customers returned to TDR indicates that their concerns were effectively resolved by the scheme members.

Of the remainder of enquiries, 526 were resolved at the enquiry and registration phase¹, while 50 went through the entire investigation and resolution phase, and were either settled by agreement or decided by the adjudicator. The balance of the enquiries largely concerned providers that were not members of the scheme, or were about matters that did not relate to telecommunications services.

Membership of the scheme grew during the year, with AWACS, FX Networks, Unison Fibre and United Networks signing up. In addition, Chorus and Ultrafast Fibre joined Enable Networks and Northpower Fibre as members of the new Multi-unit Complexes (MUC) dispute resolution scheme. This scheme was set up to deal with disputes arising from the laying of fibre-optic cable

to apartment buildings and other multi-unit dwellings. The MUC dispute resolution scheme was implemented on 1 January 2014, but no enquiries were received in the first six months of its existence.

Over the years since the TDR scheme's inception, there has been one significant review and amendment to the resolution process set out in the Customer Complaints Code. The TDR Council has signalled that, with the benefit of the experience gained over the 3 years since the implementation of that change, another review of the resolution process may be appropriate. Reflecting on the last 6½ years, it is fair to say that awareness of the scheme among the general public has been low, and this is supported by comments we typically receive from customer surveys that more people ought to know about the TDR Scheme.

On the other hand, there have been a number of achievements, some of which are:

- We have identified a number of industry-wide systemic issues, which we have reported to the TDR Council and publicly. Our experience has been that those issues have mostly been addressed, and that they re-surface with ever decreasing frequency.

- We have also identified a number of scheme member specific systemic issues, and have successfully worked with individual members to effectively resolve those issues.
- The TDR scheme has achieved exceptional levels of customer satisfaction for delivering a professional, high-quality service.
- Although scheme membership has always been voluntary, the number of members has increased as providers have gained confidence in the scheme and recognised the value for their customers.

We thank our scheme members for their cooperation in resolving customer complaints, and in assisting us to improve our service to them and also their customers. We are equally grateful to the TCF for its ongoing commitment to the scheme, and to the TDR Council for its sage guidance with some challenging issues.

Finally, we thank our staff who have shown remarkable resilience in the face of some challenging personalities and an ongoing dedication to delivering excellent service.



Derek Pullen
TDR Scheme Director

¹ For an explanation of the phases, see page 5

TDR Scheme Members

Tier 1 Members:



Tier 2 Members:



Tier 3 Members:



Tier 4 Members:



Complaints

Since 1 August 2011, under the amended Customer Complaints Code, the dispute resolution process has consisted of only two phases.

Phase I – Enquiry and registration

TDR receives an enquiry, and gathers information from the parties in order to determine whether the complaint:

- is relevant (is about a scheme member and their telecommunication service)
- has previously been made to the scheme member and is at deadlock
- is within the jurisdiction of the Scheme to consider.

Phase II – Investigation and resolution

If the complaint is in jurisdiction, the parties exchange statements of position. TDR then assists the parties to reach a negotiated settlement, using whatever process it considers appropriate. If settlement cannot be reached, TDR issues a final determination.

When a complaint is in “Phase II”, the process is managed by a single Complaint Resolution Practitioner.

A total of 1646 enquiries were registered in Phase I and of those 50 issues were moved into Phase II during the reporting period.

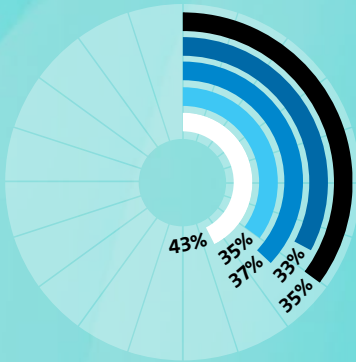
TDR issues resolved by category

Billing and credit issues at 35% still remain as the largest category of issues resolved with customer service and faults at 15% and 20% respectively.

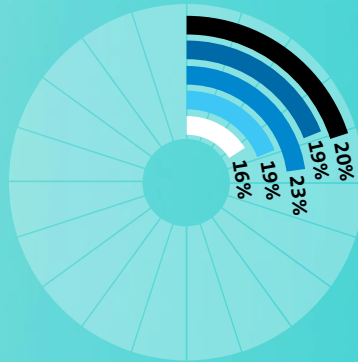
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Billing/Credit



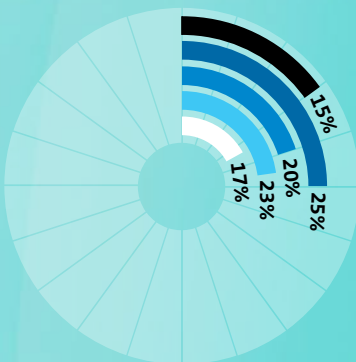
Faults



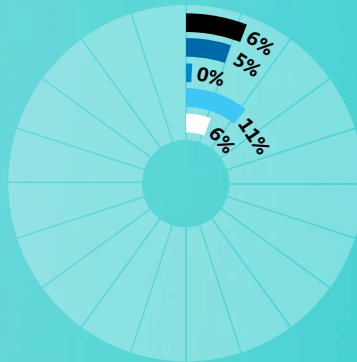
KEY

- 2013/14
- 2012/13
- 2011/12
- 2010
- 2009

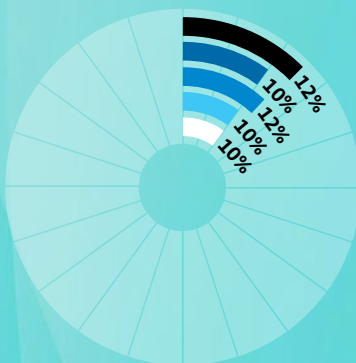
Customer Service



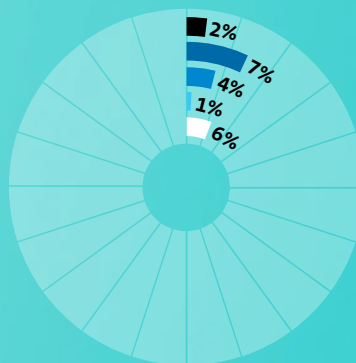
Network



Contracts



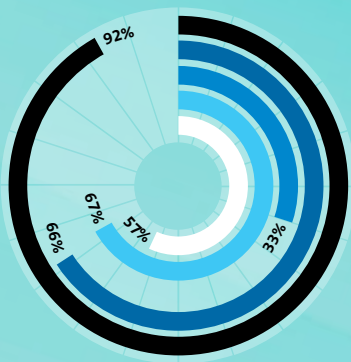
Transfers



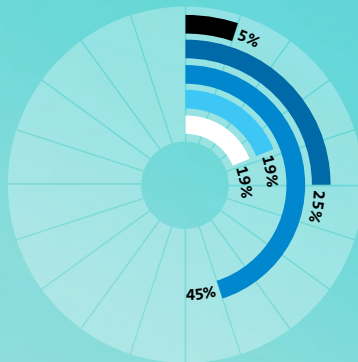
Non-relevant Enquiries

This year we have seen a significant increase in the percentage of enquiries from customers who had not previously contacted their telecommunications provider prior to contacting TDR. However, the number of enquiries received about non-scheme members reduced from 25 percent to 5 percent

Not Registered



Not about a member



KEY

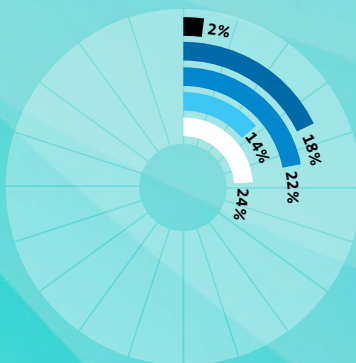
- 2013/14
- 2012/13
- 2011/12
- 2011
- 2010

The 2010 figures are for the calendar year.

Figures for 2011 are only taken from a 6 month period 1 January to 30 June.

The 2011/12, 2012/13, and 2013/14 figures are for the year 1 July to 30 June.

Other



Source of Referrals

	2012-2013	2013-2014
1	Found on web 869	Found on web 916
2	Citizens Advice Bureau 159	Phone Book 96
3	Scheme Member Advice 92	Word of Mouth 96
4	Word of Mouth 64	Citizens Advice Bureau 79
5	Phone Book 56	Scheme Member Advice 60
6	Commerce Commission 45	Consumer NZ 52
7	Consumer NZ 25	Commerce Commission 36
8	Consumer Affairs 21	Fair Go 19
9	Used TDR previously 21	Community Law Centre 13
10	Community Law Centre 20	Other Used TDR previously 8

Case Study

Liability for fees incurred by account holder's son

The customer had an 11-year-old son. As is often the case when different generations grow up with vastly different technologies, the son had a better understanding of the technical issues the customer was experiencing with her smartphone. The customer therefore asked her son to speak to her provider's technician when she called to report the issues.

Following this telephone call, and unbeknown to the customer, the provider added her son as an authority on her account. The effect of this was that the provider would accept that the son could act on his mother's behalf in relation to the account, including changing the terms of the contract and taking out new services.

The customer agreed at some years later to purchase a cellphone for her son on her account.

However, without her knowledge or consent, her son subsequently purchased a new upgraded phone and also a mobile broadband device on her account.

He was able to do this because the provider regarded him as having authority on the account.

The customer was surprised at the charges on her bill, and challenged her provider for allowing her son to incur these costs. She confirmed that she was unaware that her son had been authorised on her account, and that she had never given her consent. She stated that the sole reason for him speaking to the technicians on her behalf was that he was better able to explain the technical issues.

The TDR adjudicator decided that that under the Minor's Contract Act 1969, the provider was not lawfully able to confer authority on the account to the customer's son. As the customer had expressly authorised the purchase of the cellphone for her son, she was liable for its cost. However, the adjudicator ruled that she was not liable for the cost of the upgraded phone or the mobile broadband device.

Service Level Report

TELEPHONY SERVICE LEVEL INDICATOR

93.7%

ANSWERED CALLS

Percentage of calls answered within target
80% within 20 seconds.

3.1%

ABANDONED CALLS

Percentage of calls abandoned.

The TDR Scheme received a total of 5,179 calls in the 12-month period, a total of 5,017 were answered within the target time of 20 seconds.

EFFECTIVENESS / QUALITY

Effectiveness/Quality	Target %	Achieved %
Jurisdiction Checks	95%	92.9%
Enquiry and Registration Phase	95%	98%
Investigation and Resolution Phase	95%	82%
Final Determination Phase	80%	83%

Final Determination Phase

From issuing final determination to closing dispute within 30 business days.

Jurisdiction Checks

Scheme member replying to Scheme Agent within 3 hours of jurisdiction check.

Enquiry and Registration Phase

Receiving complaint and completing summary of dispute within 24 business days.

Investigation and Resolution Phase

Issuing final determination or mediated agreement within 27 days of receiving summary of dispute.

Customer Feedback

"Very pleased with the helpful and clear guidance from your staff! Thanks TDR! One mark of a decent society is having access to services such as yours. Helps to keep bullying Telco's in their place!"

"Just amazed how good the team works to try and sort things out."

"Thank you for listening and allowing me to be heard by the telecommunications company."

"From my experience you have very professional people and I appreciate the way my problem was so quickly resolved."

"I could not have asked for any better service than I got, was wonderful. Thank you."

"I had spent three frustrating months attempting to resolve this matter and was delighted with the very prompt, practical assistance from your staff. Congratulations."

Contact Details of Scheme Members

If you have any questions or concerns about your current services and would like to discuss them with your service provider, or you would like to sign up with one of the companies that belong to this Scheme, please see their contact details below:

2degrees	0800 022 022
AWACS Communications	021 305 500
CallPlus	0800 895 000
Chorus	0800 600 100
Compass	0800 640 840
Enable Networks Limited	0800 4 FIBRE
Flip	0800 GO SALES
FX Networks Limited	04 498 9640
Kordia	0800 KORDIA
Northpower Fibre	0800 667 847
NOW	0800 GET NOW
Orcon	0800 131 415
Primo Wireless	0800 123 PRIMO
Skinny	0800 4 SKINNY
Slingshot	0800 892 000
Snap	0800 276 232
Spark	Call 123 or *123 (mobile)
Terrible Talk	0800 002 612
TNZ Group Ltd	0800 000 860
Ultrafast Fibre	0800 FIBRE LTD
Unison Fibre	0800 2 UNISON
United Networks	0800 442 015
Vector Communications	0800 826 436
Vodafone	0800 800 021 <i>Customers formerly with TelstraClear 0508 888 800</i>
Woosh	0800 496 674