Consultation Paper on

Code of Practice on

Unsolicited Doorstep Sales and Marketing of Telecommunications Services at Residential Premises

Background

- 1. From July 2003 to June 2004, the Office of the Telecommunications Authority (OFTA) received 89 complaints from building management offices and individuals about the annoyance caused by doorstepping salespersons promoting or selling fixed-line telephone services or Internet access services. These sales visits were not solicited by the residents or building management offices. Some salespersons were alleged to have entered residential buildings with unfair means or dishonest reasons, such as in the name of doing repair or maintenance works for individual residents. Most of the sales visits complained against were alleged to be trespass on private residential areas. Some visited residential units as late as 11 p.m. and promoted telecommunications services in a persistent and over-aggressive manner, causing disturbance not only to the sales targets but also to the neighbours.
- 2. The Telecommunications Authority (TA) considers that such disturbance and annoyance caused by the operators, their employees or agents, are not acceptable by the general public. It is against the spirit of maintaining good reputation and image of the telecommunications industry. Although the TA is not empowered by the Telecommunications Ordinance (Cap. 106) to take action against the annoyance caused by sales activities of telecommunications operators, he considers that if operators could follow some good trade practices with self-discipline, the above problems and complaints could be avoided and reduced. Therefore, he would like to

issue a code of practice ("the Code") on doorstep sales activities for operators to follow on a voluntary basis. The Code provides some useful guidance for the industry to conduct sales visits in a manner which is considered generally acceptable by the public. Telecommunications operators should take adequate measures to ensure that their employees, agents and contractors comply with the Code and self-police their compliance. Operators who pledge compliance with the code will have their names published at OFTA's web site for public information and monitoring.

3. The draft Code was first raised for discussion with local fixed telecommunications network service operators, Internet service providers and the Consumer Council in November 2003. We pursued the draft Code with the Internet and Telecom Association of Hong Kong which circulated it widely to its members for consultation. The draft Code proposed at the Annex has incorporated comments from the industry.

Invitation of Comments

4. The TA would like to invite the public and the industry to comment on the draft Code given at the Annex. He also invites local fixed telecommunications network service operators and Internet service providers to indicate their willingness to join as volunteers. Views and comments should reach the Office of the Telecommunications Authority on or before 20 August 2004. Any person who submits the views and comments should be aware that the TA may publish all or any part of the views and comments received and to disclose the identity of the source in such manner as the TA deems fit. Any part of the submission, which is considered commercially confidential, should be marked. The TA would take such markings

into account in making his decision as to whether to disclose such information or not.

Submissions should be addressed to:-

Office of the Telecommunications Authority

29/F Wu Chung House

213 Queen's Road East

Wan Chai

Hong Kong

[Attn: Ms Ruby Chan, Public Affairs Manager (Consumer and Corporate

Affairs]

Fax: (852) 2122 9625

E-mail: rsmchan@ofta.gov.hk

5. An electronic copy of the submission should also be provided by e-mail to the address indicated above.

Office of the Telecommunications Authority

23 July 2004

DRAFT

Code of Practice

on

Unsolicited Doorstep Sales and Marketing of Telecommunications Services

at

Residential Premises

Code of Practice

This voluntary Code applies to telecommunications operators which are engaged in unsolicited doorstep sales and marketing of telecommunications services. Prior to and when conducting any unsolicited doorstep sales / marketing of telecommunications services, telecommunications operators should observe the following:

- (a) In entering any building for unsolicited doorstep sales / marketing of telecommunications services, telecommunications operators should observe any requirements set up by the Building Management Offices ("BMOs") or the Incorporated Owners ("IOs") or the owners of the buildings concerned for the control of access into the buildings.
- (b) Telecommunications operators should use fair and honest means to gain access into the buildings referred to in the preceding paragraph.
- (c) Telecommunications operators should not visit a residential building for doorstep sales / marketing activities before 1000 hours and after 2200 hours unless there is explicit permission of the BMO or IO or watchkeepers concerned. Employees, agents or contractors appointed by the relevant telecommunications operators should carry identity badges issued by their companies during the visits.
- (d) A hotline telephone number of the relevant telecommunications operator should be presented by the employees, agents or contractors to the BMO or IO or watchkeepers if requested for the purpose of verifying the identity of the employees, agents or contractors.

(e) In particular, telecommunications operators should ensure that no promotion should be targeted to residents under 18 years of age without the presence of adults on the premises.

(f) Due respect should be paid to the wishes of those residents who refuse or want to terminate a sales visit at any time.

(g) Over-aggressive behaviour in attempting to close deals during the visits should be avoided.

Enforcement

2. The Code becomes effective from the date of issue and is voluntary in nature. Telecommunications operators should take adequate measures to ensure that their employees, agents and contractors comply with the Code as early as possible and not later than 3 months from the date of issue of the Code. They should also self-police and always ensure compliance with the Code. Each of them has the responsibility to maintain both the integrity and goodwill of the telecommunications industry. In order to let the public understand and monitor which operators are in compliance with the Code, the names of telecommunications operators who pledge to comply with the Code are published at the web site of the Office of the Telecommunications Authority at www.ofta.gov.hk.

Changes to the Code

3. Changes to the Code may be made by the TA from time to time as and when necessary. Before he proceeds to amend the Code, the TA will consult the telecommunications operators concerned.

Office of the Telecommunications Authority [date]