

C8 Sales and marketing of mobile communications services

Ofcom wants us to provide a summary of our obligations under General Condition C8 on our website.

What is General Condition C8?

General Condition C8 (“C8”) is a set of rules that Ofcom wants us to follow covering how we sell mobile products and services to our customers and small businesses. The reason that Ofcom put them in place is because it receives complaints about the way certain mobile products and sales incentives, such as cashbacks, are sold to customers. As an organisation we want to make sure that we try our best to prevent mis-selling.

What are these rules?

Our staff must be fully trained to be able to give customers all the information that they need at the point of sale to decide about the services and plans they are buying, whether they’re in-store, online, through our telesales teams or through any of our partners.

What we are already doing

The principles that are covered in C8 are very much in line with we do today. The basic rule is that when selling or marketing services we shouldn’t be aggressive, dishonest, we shouldn’t mislead or deceive customers and we shouldn’t contact customers in an inappropriate way. Some examples are:

- Missing out important information, including information that isn’t true or is half-true and is intended to provide false or misleading information to deliberately deceive a customer when they are deciding to buy one of our products or plans.
- Harassing or intimidating customers and putting pressure on them to sign a contract, such as threatening them.
- ‘Slamming’ which is where a customer has agreed to another contract from someone without realising what they have agreed to. It could either be a new contract or an upgrade. They could find themselves with more than one contract at the same time.

- Calling a customer very early in the morning or late in the evening unless they specifically asked us to.
- Not clearly introducing themselves and the reason for the contact at the start of a sales and marketing call. The name of the company or organisation must always be mentioned and expressions such as 'calling on behalf of BT or EE' shouldn't be used unless fully authorised to do so.
- Exploiting vulnerable customers, for example, the very old or those whose first language isn't English.

To make sure that we are always giving our customers the best possible service, all our sales teams are fully trained.

We do this in a range of ways:

- Through sales bulletins, training courses, e-learning modules, manuals and product information, sales related to things like ordering a new phone or running a customer credit check.
- All sales staff being up to date with the legal stuff in our contracts, the process for ordering a mobile phone and subscribing to the service, key charges for our services and ways that they can pay.

What we need to do

We need to make sure that our partners also follow the rules. If we find that the rules have been broken by us or someone selling our services we will act immediately to make sure it doesn't happen again. In serious cases, we could be asked not to do business with a partner again and we can also be fined up to 10% of our relevant revenue.

Here is a summary of the rules

- We need to check a customer's identity before they sign a contract or make any changes to their existing one. We could do this by asking them for copy of a utility bill, a passport or a driving licence.
- We should ask customers if they want information (for example terms and conditions) in a durable form. This could be paper or in an electronic format such as email.

- When a customer is buys a new phone or plan, they should receive all the following contractual information in a durable form.
 - a description of the service and what's included
 - the minimum length of time that they need to stay on the plan
 - details of standard charges to other mobiles, landlines, sms and voicemail
 - payment terms
 - additional charges such as when not paying by direct debit or itemised paper bills
 - details of the rights and potential charges if they decide to end their contract
 - terms and conditions of the service
 - the minimum amount of notice that they need to give us if they want to end their contract
 - start date of contract (if not immediate)

- When the customer has bought something through telesales or online they need to receive and copy of the contract information in durable form soon afterwards.

- We need to carry out due diligence before we let an organisation sell our services and we should keep records of the following:
 - credit checks of all partner businesses to make sure that that anyone selling our products or plans doesn't have a bad credit history of not paying its creditors
 - that the directors of the organisation haven't filed for bankruptcy or gone into administration in the past
 - the above information is all up-to-date

- Where we collect information about companies we can't pass that information on to anyone else or use it to gain unfair advantage.

- We need to keep all sales records for at least 6 months after the sale.

The sales records must include:

- the date of the sale

- whether the sale was made face to face in-store, online or over the phone
 - the place where the sale was made (e.g. address of the retail store)
 - signed copies of contracts either on paper or electronic copy
 - call recordings (where these are available)
 - the type of contract
- There needs to be enough in the information that we keep being able to show that the customer has agreed to the contract.

What is a sales incentive or offer?

These are promises that the customer will receive a free gift (e.g. a free MP3 player), a reward card, or a promise to receive a regular payment of money (usually monthly) once they have signed up for their new contract or upgrade their existing one. For these offers the customers must be told that they are separate to the service that they're buying from us and that there is a separate contract that goes with it. We can ensure that customers are aware of this by:

- requiring companies to tell customers about the terms and conditions of the offer and how they can claim it
- carrying out spot checks and mystery shopping to check that staff letting customers know everything that they need to know
- reviewing any complaints about these offers
- checking the legal stuff of all sales incentives
- checking advertising material that refers to these offers

Rules on sales incentives

If a customer has redeemed the offer from one of our partners, then the salesperson needs to keep records of the offer for at least 90 days after the redemption.

We need to make sure that any of our business partners aren't making it difficult for customers to claim their offer in any of the following ways:

- by asking customers for an original bill to be sent in to claim the offer rather than a copy
- by charging customers to process the offer

- by giving a deadline, for example that customers must claim within a 60-day period
- by telling the customer that if they don't make the first claim then they can't claim the rest of the payments (if there is a series of payments that they will be getting back)

We should also make sure that customers received the following information in either a paper or electronic format:

- the full details of the company that is offering the incentive and that they will provide the deal that they are offering (including the address, telephone, e-mail contact details)
- a description of the offer
- the terms and conditions of the offer, including how a customer can claim it

Where an offer is made by phone, we need to confirm the offer in writing on paper or electronically within good time after the call has ended.

If you'd like a copy of C8 you can download it from our website or we can send you a copy free of charge. Just call us on 150 and we'll be happy to help.