



# Summary of General Condition 23

Ofcom wants us to publish a simple summary of EE's obligations under General Condition 23.

## What is General Condition 23?

General Condition 23 is a set of rules that Ofcom wants us to follow, which covers how we sell mobiles and phone plans to our customers and small businesses. The reason that they exist is because Ofcom receives complaints about the way in which mobile services and sales incentives, such as cashbacks, are sold to customers. As a business we want to ensure that we try our best to prevent mis-selling.

## What are these rules?

Under General Condition 23 we must make sure that EE staff are fully trained to be able to give customers all the information that they need at the point of sale to make a decision about the services and plans that they are buying, whether they're in-store, online, through our telesales teams or through one of our partners.

## What we are already doing

The principles that are covered in General Condition 23 are very much in line with our EE brand principles so it's something that we are already committed to doing. The basic rule is 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. Ofcom give some examples:

- 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 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 of 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, the key charges for our services and the 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 either by someone at EE or someone selling EE's services we will take action immediately to make sure it doesn't happen again. In serious cases we could be asked not to do business with a particular partner again and we can also be fined up to 10% of our revenues.

## Here is a brief 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.
- When a customer is about to buy their new phone or plan, they should have received all of the following information, as a paper copy or in an electronic format:
  - Who the contract is with
  - How long the contract is for
  - What the monthly fee is What is included in the monthly fee (minutes, texts, data, voicemail, etc)
  - Out of bundle call charges for calls to mobile, calls to landline, SMS and calls to retrieve voicemail
  - Information about payment terms
  - Information about termination charges, termination rights and procedures
  - When we will begin providing the services, if not immediately
  - Details of any sales incentives – so line rental discounts, retention credits, buyout credits, cash back (including deposit + cash back) etc
  - What the terms and conditions of the sales incentives are i.e. what a customer needs to do to get the sales incentive

- When the customer has bought something through telesales or online we need to send them a copy of the information in durable form in good time afterwards.
- We need to carry out due diligence before we let an organisation sell EE 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 to be able to show that the customer has agreed to the contract.

### What is a cashback deal or sales offer?

These are promises that the customer will receive a free gift (e.g. a free MP3 player) or a promise to receive a regular payment of money (usually monthly) once they have signed up for their new contract or an upgrade. For these offers the customers must be told that they are separate to the service that they're buying from EE and that there is a separate contract that goes with it. We can make sure 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 the sales teams are 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 cashback and sales offers

If a customer has bought a cashback deal from one of our partners then the salesperson needs to keep records of the cashback deal for at least 90 days after the cashback deal has finished.

We need to make sure that any of our business partners aren't making it difficult for customers to claim their cashback or sales 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 cashback or sales offer and that they will provide the deal that they are offering (including the address, telephone, fax and/or e-mail contact details)
- a description of the cash back or sales offer
- the terms and conditions of the cashback or sales offer, including how a customer can claim

Where a cashback or sales offer is sold over the 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 General Condition 23 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.