

DRAFT Product Disclosure – Coverage Map Guidelines

Issued to the telecommunications industry under section 234 of the
Telecommunications Act 2001

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Associated documents

Publication date	Reference	Title
9 December 2021	978-1-869459-63-5	Commerce Commission: Improving Retail Service Quality Final Baseline Report
12 October 2022	978-1-99-101238-8	Improving Retail Service Quality: Product Disclosure – Emerging Views Paper
30 June 2023	978-1-991085-21-4	Improving Retail Service Quality: Product Disclosure – Q3 Update and Response to Submissions
22 November 2023	978-1-991085-53-5	Product Disclosure – Retail Service Bundling Guidelines (Energy and Telecommunications Bundles)

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Introduction

In 2018, Parliament amended the Telecommunications Act 2001 to introduce *Part 7: Consumer matters*, aimed at improving retail service quality (**RSQ**).¹ These new consumer provisions directed us to monitor RSQ and make information available in a way that informs consumer choice. Part 7 also empowered us to review industry RSQ codes, issue guidelines, and create Commission RSQ codes.

In 2021, following extensive consultation, we published the *Improving Retail Service Quality Final Baseline Report*.² In this report, we identified a range of RSQ issues across the customer lifecycle that consumers indicated needed improvement. Several of these issues related to product disclosure.

Product disclosure refers to the information RSPs provide to consumers to describe goods and services, both through marketing communications and at the point of sale.

In 2022, we published the *Improving RSQ: Product Disclosure – Emerging Views Paper*.³ In that paper, we explored several key areas of consumer concern relating to product disclosure, including that consumers find mobile coverage maps inconsistent, inaccurate, and hard to find on RSP's websites.

In that paper, we also outlined how we might address these areas of concern. We sought submissions on these suggestions, and outlined our plan in the *Q3 Update* which we published on 30 June 2023.⁴

These Guidelines set out our expectations in relation to the presentation and functionality of mobile coverage maps by retail service providers (**RSPs**), and how they support their coverage claims.

Our expectation is that RSPs will review these Guidelines and make appropriate changes to their product disclosure practices in order to align with them.

In future, we may compare industry practice against these Guidelines, review relevant industry RSQ codes against these Guidelines under section 235 of the Telecommunications Act 2001 (the **Act**), and/or consider whether it is necessary to make a Commission RSQ code for product disclosure under section 236 of the Act.

These Guidelines are administered by the Commission.

¹ Telecommunications (New Regulatory Framework) Amendment Act 2018; Telecommunications Act 2001, Part 7.

² Commerce Commission "Improving Retail Service Quality: Final Baseline Report" (9 December 2021).

³ Commerce Commission "Improving Retail Service Quality: Product Disclosure – Emerging Views Paper" (12 October 2022).

⁴ Commerce Commission "Improving Retail Service Quality: Product Disclosure Q3 Update and Submission Response" (30 June 2023).

PART ONE – GENERAL

A. Commencement date

1. These Guidelines will take effect on the date of final publication. We expect RSPs to meet the expectations set out in these Guidelines within three months of their publication.

B. Application

2. These Guidelines apply to any Retail Service Provider (**RSP**) that offers retail mobile telecommunications services, including Mobile Network Operators (**MNOs**) and Mobile Virtual Network Operators (**MNVOs**).
3. These Guidelines do not affect an RSP's obligations under applicable law or codes, including:
 - 3.1 the Telecommunications Act 2001;
 - 3.2 the Fair Trading Act 1986;
 - 3.3 the Consumer Guarantees Act 1993;
 - 3.4 Commission RSQ codes; and
 - 3.5 industry RSQ codes (if applicable).
4. If there is a conflict between these Guidelines and legislation or a Commission RSQ code, the legislation or Commission RSQ code will take precedence over these Guidelines to the extent of the conflict.

C. Purpose

5. The purpose of these Guidelines is:
 - 5.1 to improve RSQ to reflect the demands of end-users of retail telecommunications services;⁵
 - 5.2 to improve consumers' ability to compare coverage between providers;
 - 5.3 to ensure consumers can make fully informed decisions;
 - 5.4 to increase consumers' awareness of coverage;
 - 5.5 to improve consumers' rights in case of a material coverage issue;
 - 5.6 to improve marketing of services to consumers; and
 - 5.7 to inform the development of any industry RSQ codes that achieve the above outcomes.

⁵ Telecommunications Act 2001, s 233.

D. Defined terms

6. In these Guidelines, unless the context otherwise requires:

Act	means the Telecommunications Act 2001;
Commission	means the Commerce Commission;
Commission RSQ code	has the same meaning given in section 5 of the Act;
consumer	has the same meaning as given in section 232 of the Act;
industry RSQ code	has the same meaning as given in section 5 of the Act, and at the date of these Guidelines includes: <ul style="list-style-type: none">(a) TCF's <i>Code for the Marketing of Alternative Services During Copper and PSTN Transition</i>, dated 1 April 2022;(b) TCF's <i>Code for Broadband Product Disclosure Information</i>, dated 7 April 2022; and(c) TCF's <i>Code for the Marketing of Broadband Services</i>, dated 30 April 2022;
material coverage issue	means a situation where a consumer's experience of coverage materially fails to meet the representations the RSP has made in its marketing communications, including in a mobile coverage map, such that the consumer is unlikely to have purchased the service had they been aware of the issue. A material coverage issue may occur at any point in the life of a service.
marketing communication	means any communication relating to the description, promotion, advertising, or sale to consumers of retail energy bundles, including, without limitation, online, email, print, television, radio, in-store and door-to-door descriptions, promotions, advertising, and marketing performed by contracted third-parties;
MNO	means a mobile network operator, being a service provider who owns or controls the mobile infrastructure required to deliver a mobile service (and includes 2degrees, One NZ, and Spark);
mobile coverage map	means any visual representation showing the extent of cellular coverage overlaid on a geographical map;
MVNO	means a mobile virtual network operator, a RSP who provides mobile services by means of a wholesale

	relationship with an MNO;
prominently disclose	means to display, in a position that is visible without requiring additional actions to view, in a manner that an ordinary consumer is likely to notice and understand;
plan	means an agreement between a consumer and an RSP, under which the RSP agrees to provide a mass-market service with an agreed set of terms. The plan specifies, without limitation, the technology, product, speed, allowances, user type, pricing structure (recurring, variable, controlled, time of day), and payment structure (pay-monthly or prepaid), as relevant;
retail telecommunications service	means a telecommunications service provided directly to a consumer;
RSQ	means retail service quality, as defined in section 5 of the Act;
RSP	means retail service provider, being a provider of retail telecommunications services;
service	has the same meaning as given in section 2 of the Consumer Guarantees Act 1993; and
TCF	means New Zealand Telecommunications Forum Incorporated;

E. Interpretation

7. In these Guidelines:

- 7.1 words and phrases have the meaning given to them in section D, or if not defined there, the meaning given to them in the Act;
- 7.2 if words and phrases can be interpreted in more than one way, the word or phrase must be read in the way that best promotes the purpose of these Guidelines in section C;
- 7.3 a reference to “include” (or “including”) means “include (or including) without limitation”;
- 7.4 references to sections and clauses are to sections and clauses of these Guidelines unless otherwise specified; and
- 7.5 section headings are for ease of reference and are not intended to affect the interpretation of the clauses.

PART TWO – PRODUCT DISCLOSURE FOR COVERAGE MAPS

8. The purpose of this Part is to improve the quality of mobile coverage maps and RSPs' practices regarding the display of coverage maps. This is to ensure that the coverage maps are more accessible to consumers and that consumers are aware of their rights and can rely on the coverage representations that RSPs make.
9. RSPs offering retail mobile telecommunications services should make available coverage map(s) on their website.
10. In any mobile coverage map, RSPs should:
 - 10.1 Use standardised, consistent language to describe coverage levels;
 - 10.2 Use standardised relative signal strength thresholds for each coverage level;
 - 10.3 Only display standardised coverage types;
 - 10.4 Only show one coverage type at a time;
 - 10.5 Enable a customer to search for a location both by address and GPS coordinates;
 - 10.6 Enable the customer to view both satellite and terrain views of a map;
 - 10.7 Only display existing, currently built coverage capability;
 - 10.8 Use plain English wherever possible. Where industry or technical terms are necessary, ensure that these are standardised and used consistently across providers and included in a glossary of terms;
 - 10.9 Provide standardised supporting information alongside their mobile coverage map which outlines:
 - 10.9.1 The inherent limitations of coverage maps, including how they represent a best-efforts estimate of available coverage;
 - 10.9.2 The key factors that can degrade cellular performance, and, if applicable, how a consumer might mitigate these factors; and
 - 10.9.3 Any pre-requisite device or plan that a consumer requires in order to connect to a specific type of coverage. For example, a 5G coverage map should state that consumers will require a plan and device that supports 5G.
 - 10.10 make efforts to accommodate consumers with vision impairments, such as by having options to display coverage in highly contrasting colours.

11. Any marketing communication that mentions mobile coverage or relates to services that rely on mobile coverage should prominently disclose a link to the RSP's coverage map.
 - 11.1 Websites should prominently disclose links to coverage maps on any page marketing services that rely on mobile coverage, including on mobile plan pages.

Consumer right to exit service without penalty in the event of a material coverage issue

12. RSPs should allow consumers to exit their service, or move to a different service, without penalty if they experience a material coverage issue and the RSP cannot remedy this issue within 15 working days of a customer raising the issue.
13. Where a consumer chooses to exit a service due to a material coverage issue, RSPs should work with the consumer to provide a resolution that ensures the consumer is not left worse off as a result of the material coverage issue. In particular:
 - 13.1 Where a material coverage issue occurs and the consumer wishes to exit their service, the RSP should:
 - 13.1.1 allow the consumer to exit without penalty; and
 - 13.1.2 provide the consumer with a refund for the price paid for the plan over the period that has elapsed since the material coverage issue began.
 - 13.2 Where a consumer is on a repayment plan for a device when they encounter a material coverage issue, and wishes to exit their mobile service but keep the device, the RSP should:
 - 13.2.1 allow the consumer to exit their mobile service without penalty;
 - 13.2.2 provide the consumer with a refund for the price paid for the plan over the period that has elapsed since the material coverage issue began; and allow the consumer to choose to either
 - (a) arrange a repayment plan for the device alone that ensures the consumer can continue making repayments over the remaining term of the repayment plan; or
 - (b) to pay off the device in one final payment.

In either of the scenarios referred to in (a) or (b) above, the repayments or final payment should include any discounts to which the consumer would have otherwise been entitled had they remained on their plan for the full term.

13.3 Where a consumer is on a repayment plan for a device when they encounter a material coverage issue, and wishes to exit their mobile service and return the device, the RSP should:

13.3.1 allow the consumer to exit their mobile service without penalty;

13.3.2 provide the consumer with a refund for the price paid for the plan over the period that has elapsed since the material coverage issue began; and

13.3.3 work with the consumer to determine any outstanding repayments for the device after providing a credit that represents a fair value for the device, taking into account its condition and the repayments already made. The repayments should include any discount to which the consumer would have otherwise been entitled had they remained on the plan for the full term.

13.4 Where a consumer chooses to exit a mobile service due to a material coverage issue and the mobile service is part of a bundle with a broadband service, the RSP should:

13.4.1 allow the consumer to exit their bundle without penalty; or, if the consumer wishes to continue their broadband service:

13.4.2 allow the consumer to exit the mobile service without penalty and ensure that the consumer continues to receive any discounts on their broadband service to which they would have otherwise been entitled had they remained on the mobile service, for a minimum of 12 months. The exception to this is where the consumer makes changes to their broadband service that would have resulted in removal of the discount even if that mobile service was still active.

TCF to work with RSPs to develop standardised definitions and terms

14. The TCF should work with RSPs to:

14.1 agree standardised terms to describe coverage levels;

14.2 define the signal strength thresholds for each coverage level;

14.3 agree a list of standardised technologies, readily available to retail consumers (such as 4G, 5G), to be displayed on coverage maps; and

14.4 develop an agreed threshold for a material coverage issue.

15. We expect these standardised terms and definitions to be adopted across the industry.

Explanatory notes

These notes are intended to provide an illustration of how these Guidelines should be interpreted.

- A consumer purchases a phone on a 36-month repayment plan and exits their mobile service after 12-months due to a material coverage issue. This consumer has been paying a total of \$110 per month: \$60 per month for the mobile service and \$50 per month towards the repayment of the phone.
 - The RSP should offer the consumer the option of either:
 - continuing to repay the phone over the next 24 months at \$50 per month; or
 - to pay the phone off in a lump sum of \$1,200 (being 24 months multiplied by \$50).
 - The consumer's phone repayments included a \$300 discount on the price of the phone as part of the 36-month contract. The RSP should honour this original discount in the calculation of future repayments on the basis that the consumer should not be worse off for exiting their service because of the material coverage issue.
- A consumer receives a \$10 discount on their total monthly bill due to having a bundled mobile and broadband plan.
 - The \$10 discount should remain in place if the consumer exits their mobile service due to a material coverage issue for a period of 12 months after the consumer has exited their mobile service.
- If the consumer subsequently wants to change to a different plan that isn't eligible for the discount to continue, the RSP should notify the consumer of this fact so the consumer can make an informed choice as to whether to proceed with the change.