Iacovoiu, Viorela; Stancu, Adrian; Bucur, Crina Raluca

Article

Mobile Phone and Internet Consumers Rights Compliance in Romania

Amfiteatru Economic Journal

Provided in Cooperation with:
The Bucharest University of Economic Studies

Suggested Citation: Iacovoiu, Viorela; Stancu, Adrian; Bucur, Crina Raluca (2014) : Mobile Phone and Internet Consumers Rights Compliance in Romania, Amfiteatru Economic Journal, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 16, Iss. 36, pp. 501-516

This Version is available at:
http://hdl.handle.net/10419/168840

Terms of use:
Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

http://creativecommons.org/licenses/by/4.0/
MOBILE PHONE AND INTERNET CONSUMERS RIGHTS COMPLIANCE IN ROMANIA

Viorela Iacovoiu1*, Adrian Stancu2 and Crina Raluca Bucur3

1) Petroleum-Gas University of Ploiesti, Romania
2) „Dimitrie Cantemir” Christian University of Bucharest, Romania

Abstract

This study highlights the extent to which rights of mobile phone and internet consumers are respected by the most important operators in Romania, namely Orange, Vodafone and Cosmote, in the context of accelerated technological changes on a highly competitive market. The research is focused on the analysis of regulations and contractual grievance procedures, number, distribution and motivation of consumer complaints, administrative quality indicators of data services and main consumer complaints. Among the documents under analysis we can mention contractual agreements, applicable procedures, as well as relevant empirical data provided by NAPC, NAMRC, economic operators and a site for online complaints, namely ReclamatieOnline.ro.

The analyses emphasize that consumer complaints are mainly due to problems arising from contracts with service providers, billing services and defects of electronic terminals under warranty. The main cause for all this is the insufficient information users are provided with and, therefore, consumers’ decreased ability in the decision making process involved in the purchase of mobile technology and internet services.

To better inform consumers, at the end of the study we propose a series of measures that could be adopted by mobile and internet service providers and regulatory, supervision and control institutions, as well as future directions of research in the field.

Keywords: mobile telephony, mobile Internet, consumers rights, contractual regulations, complaints, administrative quality indicators of data services

JEL Classification: D18, L86, L96

Introduction

In recent years, people’s increasing need to communicate, the competition on the market of electronic communications and the progress of electronic terminals have led, on the one hand, to a technical diversification of services provided, and on the other hand, to economically more affordable services for a larger number of consumers. In Romania, although by the end of 2012 the number of “active” users of phone services (voice and messaging) and of Internet (data) over mobile networks had recorded a slight decrease (by

* Corresponding author, Viorela Iacovoiu – viioiacovoiu@yahoo.com
2.5%) as compared to the previous year, it is still significantly higher (22.8 million) if one takes into account the number of inhabitants (about 19 million), a fact which demonstrates that the market is relatively saturated (NAMRC, 2013). It is also worth mentioning that there is a constant and significant increase in the dynamics of voice traffic, text messages (SMS), multimedia messaging (MMS), video calls and 3G data as well as in the number of smart phones users, against the background of the decrease in tariffs for the services provided by all operators and in the terminals purchase prices stipulated in promotional packages of services (Pleşea, Sârbu and Kato, 2013).

Therefore, the local market for mobile telephony and Internet services is currently extremely competitive and operators have to adjust their offers addressed to such consumers who, despite an increasingly lower purchasing power, are more demanding in terms of the price-quality ratio, which explains the significant decrease in the average monthly value per user (ARPU) in recent years (Pavel, 2013).

Against this backdrop of accelerated technological change on a market where maintaining the number of customers and possibly attracting new users from rival companies are imperative for existing operators, consumers face a complex and dynamic environment, in which making full use of their rights means not only observing the laws and regulations related to consumer protection, but also updating them so as to thoroughly reflect the economic and technical changes on this market.

In order to highlight the extent to which the rights of mobile telephony and Internet end-users are respected, the present study places under focus the largest operators in Romania (Orange, Vodafone and Cosmote). Our research is structured on five levels of analysis: (1) contractual documents and procedures developed by the operators; (2) the number, distribution and motivations of consumer complaints; (3) administrative quality indicators of data services; (4) the relationship between the breakdown of the total number of users and the structure of complaints; (5) the main reasons for complaints.

1. Regulating the rights of electronic communications services consumers

In a functional market economy, due to more intense competition, companies operating in the service sector are increasingly bound to consider consumers' needs, requirements and expectations in terms of diversity, quality and price, since consumers are better informed and trained and therefore more demanding and they often prefer to purchase good quality services (Dinu, 2009). Consequently, this is equally the case of telecommunications companies. Thus, in order for the purchased electronic communications equipment and services to meet the user’s needs, the consumer has the right to be informed “correctly, completely and accurately” about the equipment and services quality indicators, the terms of purchase and use, about applicable tariffs and charges, terms of service activation, reconnection, equipment replacement and available options to solve any problems related to the use of equipment and services, possibilities and consequences of disclaiming the purchased equipment and/or services, etc. (Pleşea, Sârbu and Kato, 2013). Failure to conform to quality characteristics, fees, charges, conditions and terms accepted by the user at the time of purchase due to causes attributable to the economic operator entitles the consumer to the types of compensation s/he agreed with when initiating the contact with the electronic communications services providers.
In this regard, the National Authority for Consumer Protection (NACP), the main institution in charge of the supervision and control of consumer rights protection must resolve complaints “made in writing or sent by electronic mail” and addressed to the central or regional authorities (Petrescu, Dinu, Ştefănescu and Dobrescu, 2010). At the same time, the interests of end-users, either consumers or corporate bodies, are protected by the National Authority for Management and Regulation in Communications (NAMRC) through measures targeting the proper functioning of the communications market, enhanced competition, increased transparency of communications services provision, as well as the supply of information, education and counselling to end-users (NAMRC, 2013).

In order to protect consumer rights, NAMRC adopted Decision no. 1201/2011 on data services provision, which stipulates the following:

- a set of administrative quality indicators: time span necessary for the provision of Internet access, fault repair resolution time, end-user complaints frequency, frequency of fault-related complaints, frequency of complaints about billing accuracy, complaints resolution time;
- a set of technical quality indicators: data transfer speed, transfer delay of data packages, packages delay variation, packages loss rate;
- Internet providers’ obligation to publish quarterly the parameter values of the administrative indicators of quality service provision on their web pages.

Regarding the handling of complaints, NAMRC may intervene whenever operators infringe consumers’ rights to information, do not provide number portability services, leave out certain items of information from the contract or do not comply with specific legislation in communications. Moreover, in some cases, this institution may arrange for the amicable settlement of litigations between users and service providers (GEO no. 22/2009).

2. Methodology

In order to highlight the extent to which the three providers of mobile telephony and Internet (Orange, Vodafone and Cosmote) have put into practice their obligation to inform consumers of all aspects regarding the equipment and services provided, we analyzed documents and contractual procedures issued in 2012, published on these operators’ websites.

Given the inconsistency and divergence of the data provided by the specialized agencies and the lack of complete information from mobile service and mobile Internet providers, in order to quantitatively and structurally analyse empirical data for the year 2012 we used, checked, correlated and summarized public information provided by NACP, NAMRC, the operators themselves (Orange, Vodafone and Cosmote) and a website dedicated to online complaints, http://reclamatieonline.ro/reclamatii/comunicatii/-telecomunicatii.html (SITE).

3. Contractual documents and procedures developed by the operators

The analysis aims to compare contractual documents for subscription-based services and prepaid cards as well as grievance resolution procedures, extracted from the operators’ websites as follows:

- Orange: General terms and conditions for using Orange subscriptions (C); Basic Contractual Clauses (CCB); Rates and Services for PrePaid Cards (TSP); Grievance resolution procedures – individual end-users and corporate bodies (PSR);
• **Vodafone:** General terms and conditions for individuals - 30.01.2012 (C); Main Contractual Clauses (CCP); Vodafone Card User's Guide - Terms and Conditions (CTC); Discover Vodafone Internet Card, User's Guide - Terms and Conditions (CITC); Grievance resolution procedures (PSR);

• **Cosmote:** Contract for Subscription Services with Cosmote - first page (C1); General Terms and the General Terms for Data Services (C2); Services Annex and Data Services Annex (C3); General Conditions for Cosmote Prepaid Services, in force since February 24th, 2012 (CP); Grievance resolution procedures (PSR).

Comparing the contract documents for subscription-based services (table no. 1.), one may notice:

a) The similarity of the main issues included and detailed in contracts regarding: the quality parameters of the services provided; the limits of economic operators’ liability and obligations in case of poor quality services; the minimum contractual period and tacit renewal of the contract unless the consumer notifies the supplier to the contrary before the expiry of the initial activation deadline; the activation deadline of contracted services and compensation in the event of failure to meet the deadline for causes attributable to the economic operator; valid tariffs; procedures for invoice delivery, for its detailed consultation and dispute of its value; customer requirements and the consequences of non-compliance; conditions of contract termination/ withdrawal and provider-initiated amendments; customer complaints resolution procedures and times; customer agreement on the processing of personal data;

**Table no. 1: The main issues specified in subscription contracts**

<table>
<thead>
<tr>
<th>The main issues</th>
<th>Orange</th>
<th>Vodafone</th>
<th>Cosmote</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definitions (particular meanings)</strong></td>
<td>C/art.1.1</td>
<td>C/art.1</td>
<td>C2</td>
</tr>
<tr>
<td><strong>Liability of economic operator for the quality of service provided:</strong> Conditions/ limits for the operator's liability; Parameters of quality for provided services, including data services; Compensation for non-quality parameters for causes attributable to the operator; Terms to remedy faults.</td>
<td>C/art.1.6.1, C/art.2.2.1.4, CCB (II)/6</td>
<td>C/ art.2.6, C/ art.14.1, C/ art.14.2, CCP (II)/7</td>
<td>C2/art.1, C2/art.2, C2/art.6.1-4, C2/art.6.6-7, C2/art.6.9, C2/art.7, Note1</td>
</tr>
<tr>
<td><strong>Contract duration:</strong> Minimum contractual period; Tacit renewal of contract.</td>
<td>C/art.1.2, CCB (I); (II)/3</td>
<td>CCP (I); (II)/9</td>
<td>C1/9; C3; C2/art.13</td>
</tr>
<tr>
<td><strong>Activation of services:</strong> Conditions; The maximum term for activation (from the signing date of the contract)2; Compensations</td>
<td>CCB (II)/4</td>
<td>C/ art.2.1, CCP (I); (II)/2</td>
<td>C2/art.2</td>
</tr>
<tr>
<td><strong>The SIM card and phone number</strong> (including loss, theft and replacement of SIM card)</td>
<td>C/art.2.1.2 and C/art.2.2.2.3</td>
<td>C/art.3, C/art.7</td>
<td>C2/art.3, C2/art.4</td>
</tr>
<tr>
<td><strong>Billing services:</strong> Rates; Tariff plan and promotions; Manner of issuance and submission of invoice; Payment terms; Penalties for bill payment failure by the due</td>
<td>C/art.1.7, C/art.1.8, C/art.1.9, C/art.1.10</td>
<td>C/art.4-6, C/art.25, Parag.A2, CCP (I)</td>
<td>C2/art.9, C2/art.10.1, C2/art.23.3-4, C3</td>
</tr>
</tbody>
</table>

1 The term to remedy faults is unspecified.

2 Orange – 4 calendar days; Vodafone - 7 days; Cosmote – 7 working days.
## The main issues

<table>
<thead>
<tr>
<th>Date: Suspension of service/ termination of contract for bill payment failure; Consultation of invoice information and applied tariff plans; Challenging the bill.</th>
<th>Orange</th>
<th>Vodafone</th>
<th>Cosmote</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCB (I)</td>
<td>CCP (II)/3</td>
<td>CCP (II)/4</td>
<td>CCP (II)/9</td>
</tr>
<tr>
<td>CCB (II)/5</td>
<td>CCB (II)/10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Suspension and/ or restriction of the provision of services; Reconnection (terms and conditions):**
- C/ art.1.11
- C/ art.1.17
- C/ art.1.18
- C/ art.2.2-5
- C/ art.6.3-4
- C/ art.6.5-10

**Provider-initiated amendments to contract:**
- Notification of amendment agreement; Terms;
- Withdrawal if the customer does not agree with the amendment.
- C/ art.1.19
- C/ art.1.17
- para.1/ltr.a
- CCB (II)/7
- C/ art.4.4
- C/ art.13
- CCP (II)/6
- C/ art.9.13
- C/ art.21

**Termination/ withdrawal:**
- Provider-initiated/ Customer-initiated; Costs.
- C/ art.1.16-17
- para.1/ltr.a,b
- CCB (II)/8
- C/ art.9-10
- C/ art.11.3;
- 13.2
- CCB (II)/7
- CCP (II)/5
- C/ art.14
- C/ art.15
- C/ art.16

**Disputes/ Complaints:**
- Amicable settlement;
- Complaints solution time span, Resolving disputes not settled amicably.
- C/ art.1.14
- C/ art.25
- Sec.(A)
- CCB (II)/9
- C/ art.9-10
- CCP (II)/8
- C/ art.6.8
- C/ art.23
- C/ art.24

**Customer undertakings and obligations** on:
- Using the equipment and services supplied by the operator; Bill payment etc.
- C/ art.1.6.2
- and
- C/ art.2.2.1.3
- C/ art.7.1-3
- C/ art.11.1;
- 15
- C/ art.8
- C/ art.16
- CCP (I);
- (II)/9
- C/1/8
- C/2/art.22

**Unlocking/ decoding terminals (conditions):**
- C/ art.1.20
- Note:
- -

**Processing of personal data (including customer agreement):**
- C/ art.1.15
- C/ art.1.18
- CCP (I);
- (II)/10
- (II)/9
- C/1/8
- C/2/art.22

Source: Orange - C, CCB, Vodafone - C, CCP, Cosmote - C1, C2, C3.

b) Some operators do not mention in the contractual documents issues considered by other service providers to be essential for consumers, such as: the term to remedy faults (Cosmote), conditions related to decoding terminals (Vodafone and Cosmote), terms and conditions related to number portability (Orange and Vodafone), the clear specification of terms/ durations in calendar days and/ or working days (Vodafone - Article 2, 4, 5, 7, 9, 13, 16, Cosmote - Article 2, 6, 7, 9, 13, 14, 15, 16, 19, 21, 23 from the General Terms for Data Services);

c) None of the operators in the section dealing with amending the contract (Orange - art.1.19; Vodafone - Article 13; Cosmote - Article 21) mentions the legal issues related to changing the tariff plan during the contract period, at the initiative of the service provider and with the customer's verbal consent expressed by means of electronic communication (for distance contracts), in which case the regulations in GEO no.111/2011 are to be observed;

---

3 Including the obligation of the consumer not to use the network in a way impinges upon a third party.
4 Conditions and tariffs are specified in the document “Unlocking terminals in the network” which can be retrieved from https://www.vodafone.ro/libs/documents/digital_asset/v080064.pdf
d) There are different approaches to drafting contractual documents and their presentation to the customer at the moment of service purchasing, in the sense that Orange and Vodafone operators write out two separate documents, one containing detailed contractual clauses (TCG), to be submitted to consumers only upon request, while the other one states the tariff plan and presents, in brief, only those clauses rated as significant by suppliers (CCB/ CCP) and is to be signed by the customer; the situation is different with Cosmote, which submits to end-users full-version documents, to be acknowledged and signed.

Comparing similar documents representing contracts for prepaid services (table no. 2), one may notice the following aspects:

a) Only few items are presented and detailed by all operators, namely those related to the SIM card (activation/ recharge/ replacement), the telephone number, the initial credit, options and tariffs, the suspension and/ or restriction of the provision of services, unlocking terminals and prepaid services;

Table no. 2: Terms and conditions for prepaid cards services

<table>
<thead>
<tr>
<th>The main issues</th>
<th>Orange</th>
<th>Vodafone</th>
<th>Cosmote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitions (particular meanings)</td>
<td>-</td>
<td>-</td>
<td>✓</td>
</tr>
<tr>
<td>Economic operator’s liability for the quality of the service provided (similar to subscriptions)</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Activation of the SIM card, telephone number, initial credit</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Options and tariffs offer</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Recharging the SIM card</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Conditions for the replacement of the SIM card</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
</tr>
<tr>
<td>Suspension and/or restriction of service provision</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Amendment to of conditions, fees and charges</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Liability of the parties (operator, customer)</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Unlocking terminals (conditions)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Prepay services (call numbers, tariffs)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Processing personal data</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Solutions to complaints/ Compensation</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Porting</td>
<td>-</td>
<td>-</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Orange - TSP; Vodafone – CTC, CITC; Cosmote – CP.

b) Orange and Vodafone do not mention in these documents a number of elements that are specified in their own subscription contracts as well as in the document prepared by Cosmote for prepaid cards customers. In this category we mention the following: the meaning of the terms (Orange and Vodafone), the economic operator’s liability for the quality of the services provided (Orange), the conditions for the replacement of the SIM card (Vodafone), the amendment to conditions, fees and tariffs (Orange), the liability of parties (Orange), the processing of personal data (Orange), solutions to complaints (Orange), terms and conditions related to number portability (Orange and Vodafone);

c) The document drawn up by the economic operator Cosmote is characterized by ambiguity and lack of unity in expressing terms/ duration in calendar days and/ or working days, similarly to the contract for subscription-based services. Thus, in some articles the reference to “working days” or “calendar days” is clearly stated (Art. 7.3, 13.2, 15.2), whereas in others only “days” is mentioned (Art. 4.3, 7.2).
Comparing contract documents prepared by the three operators for subscription-based services with those for prepaid services, one notices the lack of unity in the information presented to users, although there is no difference between the two categories of consumers as regards their rights. Thus, the service providers Orange and Vodafone do not disclose to users who have paid in advance for the services (prepaid cards) some essential information, as detailed above (table no. 2 and paragraph 2), which is however included in subscription-based contracts. At the same time, consumers who pay in advance for services purchased from Vodafone and Cosmote benefit, through contractual documents, from detailed information (requirements, fees) about the unlocking of terminals, as opposed to subscription-based users, who are not informed about such aspects in the contract with the economic operator. A similar situation occurs in the documents prepared by Cosmote for the term of remedying faults (24 hours), which is mentioned only in contracts with prepaid cards users.

It is also worth remarking that the three operators have different approaches to the specification of number portability, both for subscription and prepaid services. Orange does not make any claims in contractual documents analyzed above, but presents on its own website\(^5\) information about porting numbers from other mobile networks to its subscription or prepaid services (porting documents necessary for registration, term of activation of the ported number, porting fees, possible alternatives, informing the customer about the status of the porting process, cancellation of the porting request) and porting from Orange to other mobile networks (the necessary documents, cases when the porting request is rejected, loss of credit and of all the benefits for prepaid cards). In this regard, we note that none of the clauses related to the customer-initiated contract termination/ withdrawal (art.1.16, para. (2) and art.1.17, para. (1) ltr a, from TCG; art. 8 from CCB - Part II) contains specifications about porting Orange numbers to other networks. In CCP (II)/article 2, the economic operator Vodafone only mentions the activation date for subscription ported numbers in the Vodafone network, presenting on its website\(^6\) exclusively data and information (such as promotional offers, the porting and cancellation of porting request form, information on porting, benefits, etc.) referring to porting from other networks, mobile or fixed, to its network. Unlike these two competing companies, Cosmote presents its subscription and prepaid services consumers with complete and detailed information, both in the above mentioned contract documents and on its website\(^7\).

When comparing the grievance procedures developed by the three operators (table no. 3), one may note their similarity in terms of the main issues raised, that is in terms of the modalities and the maximum term for formulating complaints, the maximum term for solving complaints, the manners of provision of information to customers and of dealing with complaints that have not been solved amicably, but also some differences, namely:

a) Orange and Cosmote do not mention the maximum term to resolve complaints for terminals and accessories that are covered by warranty, which, according to GEO no. 174/2008, should not exceed 15 calendar days;

\(^5\) http://www.orange.ro/services/portabilitate-ro.html
\(^6\) https://www.vodafone.ro/personal/servicii-si-tarife/alege-vodafone/portabilitate/index.htm#tab-1
\(^7\) http://www.cosmote.ro/ro/portability.aspx?style=styles&n=-10000&noparent=17072&cid=19685
b) Vodafone does not make a clear-cut distinction between calendar and working days when establishing the maximum term for resolving complaints about terminals covered by warranty and has no explicit procedure for follow up on lodged complaints.

### Table no. 3: Grievance procedures

<table>
<thead>
<tr>
<th>The main issues</th>
<th>Orange</th>
<th>Vodafone</th>
<th>Cosmote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing verbal complaints (individuals and corporate bodies)</td>
<td>• phone • the shop</td>
<td>• phone</td>
<td>• phone</td>
</tr>
<tr>
<td>Filing written complaints (individuals and corporate bodies)</td>
<td>• post • fax • the shop • e-mail</td>
<td>• post • fax • the shop • e-mail • Internet</td>
<td>• post • fax • the shop • e-mail • Internet</td>
</tr>
<tr>
<td>Content of complaints (obligatory elements)</td>
<td>NOT</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>The maximum term for filing complaints (^\text{9}) in the case of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- customers with prepaid services</td>
<td>30 cd 30 cd</td>
<td>30 days</td>
<td>30 cd 15 cd</td>
</tr>
<tr>
<td>- customers with subscription</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- calls cost (invoice)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-functional services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The maximum term for solving the complaint (^\text{10}):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- customers with prepaid services</td>
<td>60 cd 30 cd</td>
<td>30 wd 15 days</td>
<td>30 cd</td>
</tr>
<tr>
<td>- customers with subscription</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- provided services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- terminal/accessories warranty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contacting customers about filed complaints (follow up on a resolution by the provider)</td>
<td>• post • SMS • e-mail</td>
<td>Unclear</td>
<td>• phone • post • e-mail</td>
</tr>
<tr>
<td>Resolving complaints that have not been amicably solved (by the provider)</td>
<td>• NAPC • NAMRC • court</td>
<td>• regulatory • court</td>
<td>• NAPC • NAMRC • court</td>
</tr>
</tbody>
</table>

Note: cd - calendar days, wd - working days.

*Source: Orange - PSR; Vodafone - PSR, Cosmote - PSR.*

---

\(^8\) In connection with follow up, it is mentioned through “any of the delivery means mentioned above”, while “above” only gives details about the ways to file complaints.

\(^9\) It is calculated from the date of the event/ issuance of invoice.

\(^10\) It is calculated from the date of filing the complaint/ returning the faulty equipment to the collection point. Vodafone may also extend the term for resolving complaints by 30 working days, notifying the customer about this, in exceptional cases, which are however not explicitly specified, which may give rise to abuses. A similar specification appears in the Cosmote contract for complaints that cannot be resolved within 30 calendar days, in which case within 5 working days from the expiry of the initial deadline the customer must be informed of the status and the complaint solution time span.
4. Analysis of the number, distribution and motivations of consumer complaints

The share that each operator has in the total number of complaints filed in 2012 with NACP, NAMRC and the specialized website (SITE) is shown in table no. 4.

Table no. 4: Complaints filed with NACP, NAMRC and SITE (2012)

<table>
<thead>
<tr>
<th>Operators</th>
<th>NACP</th>
<th>NAMRC</th>
<th>SITE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Orange</td>
<td>1250</td>
<td>48.45</td>
<td>224</td>
</tr>
<tr>
<td>Vodafone</td>
<td>794</td>
<td>30.78</td>
<td>174</td>
</tr>
<tr>
<td>Cosmote</td>
<td>536</td>
<td>20.77</td>
<td>162</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2580</td>
<td>100</td>
<td>560</td>
</tr>
</tbody>
</table>

Source: Economica.net, List of mobile operators with the most numerous complaints to NACP, March 30, 2013; Business24.ro, Misunderstanding the contract, the main source of dissatisfaction for telecom users, April 29, 2013; http://reclamatieonline.ro/reclamatii/comunicatii/-telecomunicatii.html, our own calculations.

According to the data provided by NAMRC, in 2012 the main complaints reported by Internet and mobile phone users were the following: dissatisfaction with the execution of contracts with service providers (33%); disagreement on billing services (12%); technical faults arising from services (10%); problems with the quality of services, which was below the subscribers’ expectations (7%).

For a rigorous and coherent analysis of complaints registered in 2012 on the website reclamatieonline.ro, all consumers’ complaints have been grouped according to the issues raised into the categories below.11

a) Issues related to the execution of contracts with service providers, i.e. non-fulfilment of contract clauses; provider-initiated request via telephone for an agreement (remote contract) for a certain type of subscription, without delivery of a subsequent written contract; provider-initiated request via telephone for an agreement (remote contract) for a certain promotional offer, followed by written documents (contracts) that do not comply with the promotional offer or by a contract containing clauses which the consumer was not aware of at the time of the phone call and followed by the operator's refusal to terminate the contract; operating changes in contract clauses without the consumer's consent and refusal to terminate contract; discrepancies between the promotional offer and the submitted contract; customer-initiated request via telephone to amend the contract/subscription, confirmed by the mobile service provider, resulting in a non-functional and yet billed service; extension of the contract without the consumer's consent; charging unjustified fees for unilateral termination of the contract; application for changes of subscription type according to subscription documents available on the operator's website, followed by the refusal to comply with the request; failures in the installation of the contracted service; failure to provide promotional offers.

---

11 We took into account the classification made by the Regional Consumer Protection Agency, Neamț, retrieved from http://www.ziarpiatraneamt.ro/cresc-reclamatii-la-opc-impotriva-firmelor-de-telefonie-mobila/
b) Complaints related to billing services, including: charging unjustified costs in invoices; issuing invoices with errors (for example, errors in the mobile phone minutes provided); unjustified overcharging of invoice on account of non-existent SMSs (which cannot be identified by the consumer).

c) Non-compliant mobile terminals under warranty: refusal to provide product repair while covered by legal warranty, refusal based on various factors, such as the failure to produce the purchase invoice, violating the conditions of the warranty or technical reasons (liquid spillage, mechanical shocks); exceeding the deadline of 15 calendar days prescribed by law for the retrofitting of a product by repair, replacement or refund; mobile terminals which were returned by the maintenance department with other defects or mechanical damage (scratches, cracks etc.) than the initial ones.

d) Non-compliant telephone and internet services: failure to fulfil the contract technical parameters; refusal to terminate the contract for failure to provide the mobile phone coverage specified in the contract.

e) Problems with prepaid cards, i.e. situations where cards were wrongly charged by the operators’ staff, followed by the refusal to refund the incorrectly loaded amount or to reload the phone card.

f) Miscellaneous complaints related to the lack of professionalism of the customer service staff; abusive suspension of services for slips detected upon bill payment; lack of provision of information to the consumer about the cost of SMS messages sent to various games and competitions; refusal of/ overcharging decoding of mobile terminals purchased in the absence of a subscription; obstacles encountered in porting from one network to another.

The main complaints filed by mobile phone and mobile internet users on the website ReclamatieOnline.ro took into account the following aspects (table no. 5): execution of contracts with service providers (31%); billing services (17%); non-compliant terminals and accessories under warranty (17%); the use of pre-paid cards (16%); poor quality of services (10%); various other problems (9%).

<table>
<thead>
<tr>
<th>N o.</th>
<th>Category</th>
<th>Number of complaints registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contracts with service providers</td>
<td>Orange 16</td>
</tr>
<tr>
<td>2</td>
<td>Billing services</td>
<td>Orange 9</td>
</tr>
<tr>
<td>3</td>
<td>Non-compliant mobile terminals under warranty</td>
<td>Orange 5</td>
</tr>
<tr>
<td>4</td>
<td>Non-compliant telephone and internet services</td>
<td>Orange 8</td>
</tr>
<tr>
<td>5</td>
<td>Prepaid cards</td>
<td>Orange 12</td>
</tr>
<tr>
<td>6</td>
<td>Various other problems</td>
<td>Orange 6</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>Orange 56</td>
</tr>
</tbody>
</table>

Source: http://reclamatieonline.ro/reclamatii/comunicatii/-telecomunicatii.html

5. Administrative quality indicators of data services

According to the NAMRC methodology, the terms for providing the service (1), repairing faults (2) and resolution of complaints (6) are those specified by providers in their contracts with end-users. Also, the indicators related to the frequency of complaints, namely
indicators 3, 4 and 5 (SDF) take into account the complaints received by operators during the reporting period (table no. 6).

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicators</th>
<th>Orange</th>
<th>Vodafone</th>
<th>Cosmote</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Term for providing Internet access (days)</td>
<td>4</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>Term to repair faults (hours)</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>3.</td>
<td>Frequency of end-user complaints (number of complaints per 1000 users)</td>
<td>4.25 *</td>
<td>1.525 *</td>
<td>7.5 *</td>
</tr>
<tr>
<td>4.</td>
<td>Frequency of complaints concerning faults (number of complaints per 1000 users)</td>
<td>0.45 *</td>
<td>0.125 *</td>
<td>1.375 *</td>
</tr>
<tr>
<td>5.</td>
<td>Frequency of complaints about billing accuracy (number of complaints per 1000 bills)</td>
<td>1.3 *</td>
<td>0.425 *</td>
<td>2.525 *</td>
</tr>
<tr>
<td>6.</td>
<td>Term for solving complaints filed by users (hours)</td>
<td>960</td>
<td>720</td>
<td>720</td>
</tr>
</tbody>
</table>

* Average value in 2012, based on each quarter’s level

6. The relationship between the breakdown of the total number of users and the structure of complaints

Table no. 7 shows the share in the total number of users of mobile telephony for each operator, both for subscription and “valid” prepaid services (TM2) and mobile internet services (ITM3).

<table>
<thead>
<tr>
<th>Operators</th>
<th>Users TM2</th>
<th>Users ITM3 (active connections)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Subscriptions (A)</td>
<td>Prepaid cards (C)</td>
</tr>
<tr>
<td>Orange</td>
<td>4.12 40.0</td>
<td>6.18 60.0</td>
</tr>
<tr>
<td>Vodafone</td>
<td>3.27 40.3</td>
<td>4.84 59.7</td>
</tr>
<tr>
<td>Cosmote</td>
<td>1.56 24.8</td>
<td>4.73 75.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8.95 -</td>
<td>15.75 -</td>
</tr>
<tr>
<td>Other operators</td>
<td>0.35 -</td>
<td>0.45 -</td>
</tr>
<tr>
<td>Total NAMRC</td>
<td>9.3 -</td>
<td>16.2 -</td>
</tr>
</tbody>
</table>

Source: NAMRC 2013, The Electronic communications market in Romania - Statistical report sem. II 2012, p. 20 (Table II.1.1) and p. 52 (Table III.3.4); data provided by the operators and taken from Business24.ro dated 12 November 2013, Cristian Pavel, efinance.ro.
The relationship between the breakdown of the mobile phone market (TM2) and mobile internet services market (ITM3) and the structure of the complaints filed with NACP, NAMRC and the dedicated website (SITE) and of the complaints related to data services filed with service providers (SDF) is represented in figure no. 1 below.

![Figure no. 1: The breakdown of the total number of users in correlation with the structure of complaints (2012)](source: Data from Tables no. 4, 5, 6 and 7 herein)

The share of each operator in the total number of complaints filed with NACP, NAMRC and the SITE is relatively close to the market structure determined by the number of end-users, which demonstrates that the dissatisfaction and complaints filed by consumers are distributed among providers according to the market share held by each of them.

There are significant differences for all analyzed providers between the percentage of data services end-users (Orange - 45%, Vodafone - 33% and Cosmote - 22%) and the percentage given by the number of complaints filed by consumers about these services (Orange - 32%, Vodafone - 11% and Cosmote - 57%). Vodafone largely meets the needs and requirements of its data services customers, as demonstrated by the small number of complaints filed in relation to the number of users (1.5 complaints per 1000 users), as compared to Cosmote ranking high in the number of complaints for mobile Internet services and low in relation to the number of users, which proves a lower level of consumer satisfaction, resulting in a larger number of filed complaints (7.5 complaints per 1000 users).

7. The main reasons for complaints

To reflect the main reasons for consumers’ complaints about the Internet and mobile telephony services provided by Orange, Vodafone and Cosmote, we centralized and correlated data on the distribution of the complaints filed in 2012, highlighting relevant aspects (table no. 8).

*Execution of contracts with service providers* is the main reason for complaints from consumers of mobile Internet and telephony services purchased from Orange, Vodafone and Cosmote. Relying on the analyses presented, we appreciate that dissatisfaction in contracts in progress may be due essentially to either party’s failure to observe the contract clauses, to omission from the contract of important information for users or to misunderstandings of contract provisions by consumers.
Table no. 8: Consumers’ main complaints (2012)

<table>
<thead>
<tr>
<th>No.</th>
<th>Motivation for complaints</th>
<th>NAMRC (S1)</th>
<th>SITE (S2)</th>
<th>SDF (S3)</th>
<th>S1</th>
<th>S2</th>
<th>S3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Issues related to the execution of contracts with service providers</td>
<td>Contracts for mobile Internet and telephony services</td>
<td>-</td>
<td>33</td>
<td>31</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Disagreements on billing services</td>
<td>Methods of billing services</td>
<td>Billing accuracy</td>
<td>12</td>
<td>17</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>-</td>
<td>Non-compliant mobile terminals under warranty</td>
<td>-</td>
<td>-</td>
<td>17</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>-</td>
<td>Prepaid cards</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Technical faults in service provision</td>
<td>Non-compliant telephone and internet services</td>
<td>Faults</td>
<td>10</td>
<td>10</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Quality of service is below consumers’ expectations</td>
<td>Miscellaneous</td>
<td>-</td>
<td>7</td>
<td>9</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>62</td>
<td>100</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difference from 100%</td>
<td>38</td>
<td>-</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Own calculations based on administrative quality indicators (3, 4 and 5) presented in the NAMRC report.

Source: data from business24.ro, 29 April 2013 and Tables no. 6 and 7 herein.

Omission of significant aspects in the contracts drawn up by operators creates a favourable framework for abuse by providers and thus leads to consumers’ dissatisfaction since their rights have not been respected. In this regard, our analyses revealed a lack in contractual documents of information concerning distance contracts, number portability, decoding terminals etc.

Misunderstanding of contractual provisions by consumers can be generated by vague and insufficient information provided by the operators, the complexity of the contract and the fact that users do not read the information carefully, if at all, when signing contracts. For that matter, our comparative analyses herein reveal the ambiguity characteristic of some information in the documents written up by Vodafone and Cosmote, and that Orange and Vodafone inform the consumer of detailed contract provisions (TCG) only upon request. It is also worth noting that, in order to have a complete picture of the purchased services, the consumer is supposed to consult, read and understand a large number of written documents (basic contractual terms and conditions, specific procedures) as well as information displayed only on companies’ websites (such as information related to number portability, the requirements for decoding terminals etc.).

Clearly, the second cause of consumer dissatisfaction, the billing of purchased services, is largely due to deficiencies in communication and provision of information as detailed above, which, on the one hand, pave the way for issuing inaccurate invoices by suppliers in relation to contractual terms and conditions and, on the other hand, lead to misunderstandings and, therefore, to end-users challenging the bill. For example, although the three service providers specify in the contract that, if the operator fails to supply
activation or reconnection services within the specified time span or if service downtime is attributable to the provider, the customer is entitled to compensation by crediting the customer's bill for the following month, in the documents drafted by Vodafone and Cosmote the duration associated with the terms is ambiguous (it is not specified whether it is expressed in working days or calendar days). In addition, there are many situations in which service providers are exempt from liability under certain circumstances, as specified in several contract sections and clauses, which complicates matters even more for consumers.

Consumer grievances regarding non-compliant mobile terminals under warranty are partly due to the expiry of 15 calendar days prescribed by law for repair, replacement or refunding, situations that are likely to occur if users are not informed about the maximum complaint resolution time span for mobile terminals and accessories under warranty (Orange and Cosmote) and on account of the vagueness of the information on the warranty duration and the requirements for warranty extension (Vodafone and Cosmote).

As for the prepaid cards users, who represent the largest group out of the total number of mobile services users, we reckon that their complaints result primarily from the provision of unclear and incomplete information on the purchased services. In this respect, the comparative analyses have shown that Orange and Vodafone do not include some essential information items in their prepaid cards service contracts, which are however to be found in subscription-based contracts, although there is no difference between the two categories of customers in point of their legal rights.

Grievances of consumers dealing with the technical faults in service provision and quality do not constitute a significant share, which demonstrates suppliers’ preoccupation with assuring quality compliance of mobile telephony and Internet services (NAMRC, 2013; Pleșea, Sârbu and Kato, 2013). The analyses presented indicate high levels of customer satisfaction for Vodafone and Orange end-users in terms of compliance and quality of mobile Internet services, in contradistinction to the dissatisfaction expressed by users who have purchased similar services from Cosmote.

Conclusions

Consumers’ declining purchasing power in a market with relatively low growth potential has laid a solid foundation for a competition focused on price, the users of mobile telephone and Internet services being in a position to choose from among a variety of promotional packages without always holding full, clear and accurate information on the equipment and services they purchase. In this respect, the analyses above have shown that customer complaints filed with Orange, Vodafone and Cosmote signalling dissatisfaction arising from ongoing contracts with service providers, billing services and non-compliant terminals/accessories under warranty, ultimately originate, to a considerable extent, from the poor provision of information to consumers about the terms and conditions of the purchased service.

Analyzing the contract documents developed by Orange, Vodafone and Cosmote for subscription services and prepaid cards as well as the grievance procedures, we consider that the omission of useful information for the consumer, blurry formulations and the large number of documents from different sources (printed or electronic/online) which should be read and understood, are unlikely to facilitate awareness and full understanding of the terms
and conditions of the purchase and the use of services, and, therefore, do not allow consumers to choose the provider, services and equipment that best meet their needs.

In view of the above, in order to protect consumers' fundamental rights as guaranteed both by the European Directives and the national legislation, the operators Orange, Vodafone and Cosmote should initiate a series of measures aimed at better informing end-users by overtly presenting complete and accurate information in a form easily understood by consumers.

In this context, since information concerning the extent to which service providers comply with the undertaken contractual obligations and highlighting effective complaints management and compensation procedures is not made known to users by operators, we consider that regulatory, supervision and control institutions should provide users with relevant and detailed information on these issues in an accessible form.

A first step in this direction was taken through the adoption by NAMRC of Decision no. 1201/2011, addressing the provision of data services. In our view, the calculation of administrative quality indicators and the service providers’ obligation to publish quarterly the values of these indicators on their web pages could be extended to other types of electronic communications services (such as mobile telephony and television).

Provision of comprehensive information to consumers could be achieved through regular (annual) disclosures by NACP of useful information about filed complaints, resolved complaints and compensation (such as the number of complaints filed with each operator and the number complaints resolved to the consumers’ benefit, the compensations received etc.). Also, given the large number of consumer of telephone and mobile Internet services, it is necessary that NACP should initiate a campaign to educate people about the main causes of complaints as presented herein.

In the light of this study, the analyses in this paper can be extended to other categories of services and supplemented by research showing users' perception of the relevance, usefulness and accessibility of the information offered both by service providers and specialized institutions in charge of informing and educating consumers.

References


