



**DECISION ISSUED BY**

**THE INFO-COMMUNICATIONS MEDIA DEVELOPMENT AUTHORITY**

**ON**

**THE TELECOMMUNICATION AND MEDIA  
ALTERNATIVE DISPUTE RESOLUTION SCHEME**

**4 MARCH 2022**

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# 1. BACKGROUND & INTRODUCTION

- 1.1 In 2016, the Telecommunications Act and the Info-communications Media Development Authority (“**IMDA**”) Act were amended to provide IMDA with powers to establish or approve one or more dispute resolution schemes for the resolution of disputes between subscribers and declared telecommunication licensees and designated media licensees, arising from or relating to the provision of services by the licensees to the subscribers. To supplement existing consumer protection measures and provide Eligible Customers access to an alternative platform to resolve disputes with their telecommunication and/or media service providers (“**Service Providers**”) in an independent, fair and effective manner, IMDA has proposed to establish an Alternative Dispute Resolution (“**ADR**”) scheme for the telecommunication and media sectors (“**Scheme**”).
- 1.2 IMDA conducted a public consultation from 17 January 2018 to 21 March 2018 on the following aspects of the Scheme:
- a) Dispute resolution process;
  - b) Eligible Customers, who are Individual Consumers and Small Business Customers that will be eligible to seek ADR under the Scheme;
  - c) Designated media licensees and declared telecommunication licensees, who will be required to participate in the Scheme;
  - d) Telecommunication and media services that will be eligible for ADR under the Scheme;
  - e) Dispute issues that will be eligible for ADR under the Scheme; and
  - f) Funding and fee structure of the Scheme.
- 1.3 At the close of the public consultation, IMDA received 14 written submissions. These included submissions from eight Service Providers, four ADR bodies, and two industry associations.
- 1.4 IMDA has completed its review of the comments and finalised the ADR Scheme. The Alternative Dispute Resolution Regulations will be gazetted.
- 1.5 IMDA would like to thank all respondents for their feedback and suggestions. Section 2 summarises the comments received and IMDA’s responses to these comments. Section 3 summarises IMDA’s final positions and decision on the public consultation. IMDA has also decided on the ADR operator that will be appointed by IMDA to administer the Scheme, as elaborated in Section 2.

## 2. SUMMARY OF COMMENTS RECEIVED AND IMDA'S RESPONSES

2.1 This Section sets out the comments received and IMDA's responses, categorised into the following sub-sections:

- A: Need for the Scheme
- B: Proposals on eligible telecommunication and media services
- C: Proposals on eligible dispute issues
- D: Proposals on telecommunication and media licensees who will be required to participate in the Scheme
- E: Proposals on Eligible Customers
- F: Proposals on the ADR process
- G: Proposals on the funding and fee structure of the Scheme
- H: Proposed appointment of ADR operator

### A: RESPONSES ON NEED FOR THE SCHEME

#### Overview of comments received and IMDA's responses

2.2 IMDA notes that the majority of the Service Providers that responded to the consultation did not see a need for the Scheme as they observed that the complaint numbers had been decreasing based on Consumer Association of Singapore's ("**CASE**") and IMDA's statistics, and they were of the view that the existing avenues for ADR such as CASE and Small Claims Tribunal ("**SCT**") were sufficient. A Service Provider that responded also suggested that the Scheme should be developed as a self-regulatory scheme designed by the industry, to be considered and approved by IMDA. On the other hand, the ADR bodies that responded to this consultation were supportive of the Scheme. Two of the ADR bodies were of the view that the Scheme would help resolve disputes in an amicable manner without going to litigation which may be costlier and more time-consuming, and one ADR body took the view that the Scheme would incentivise Service Providers to resolve disputes at the earliest instance to prevent escalation to the Scheme.

2.3 IMDA notes that despite the complaint channels provided by Service Providers and existing ADR mechanisms, the number of complaints has not dropped over the years. There is room to supplement the existing avenues for more effective consumer dispute resolution in the telecommunication and media industry. The Scheme is intended to supplement existing consumer protection measures and existing channels to resolve disputes between consumers and Service Providers, and provide a dedicated avenue to resolve individualised or contractual disputes in the telecommunication and media sectors. In contrast

with some existing ADR mechanisms, the participation of Service Providers under the Scheme will be mandatory and the Scheme's fee distribution ratio will help to reduce the disparity in bargaining power between Eligible Customers and Service Providers, and incentivise an improvement in Service Providers' handling of complaints from Eligible Customers.

- 2.4 Regarding the suggestion of a self-regulatory scheme designed by the industry, IMDA views that in this instance, it would be better placed to design a scheme that would balance the interests of both Eligible Customers and Service Providers.

## **B: PROPOSALS ON ELIGIBLE TELECOMMUNICATION AND MEDIA SERVICES**

- 2.5 IMDA had proposed that Eligible Services under the Scheme include all telecommunication and subscription TV services for which Eligible Customers would enter into service agreements, billing arrangements or incur once-off charges with Service Providers. Eligible Services would include, but are not limited to:

- a) Mobile Services (including voice, data, Short Message Service (“**SMS**”), international roaming services, Value-Added Services (“**VAS**”) and Premium Rate Services (“**PRS**”));
- b) Fixed-line Broadband Internet Access Services (including fibre broadband services);
- c) Fixed Line Services (including Direct Exchange Line (“**DEL**”), digital voice, Internet Protocol (“**IP**”) telephony system, Private Automated Branch Exchange (“**PABX**”), VAS, International Calls);
- d) Subscription TV Services; and
- e) Fibre Connection Services.

- 2.6 Services that were less pervasive or not licensed by IMDA, such as Over-the-Top (“**OTT**”), payphone, directory enquiry and bill-on-behalf services, except for PRS, would be excluded from the scope of Eligible Services under the Scheme.

### **Overview of comments received and IMDA's responses**

- 2.7 Most of the respondents generally did not comment on the proposed scope of Eligible Services, while those who commented generally agreed with the proposed scope of Eligible Services as they were of the view that the proposed list of services was comprehensive and could be expanded in future when necessary. One of the Service Providers that responded to the consultation suggested excluding international roaming services as their performance and service levels were beyond the control of local Service Providers.

2.8 IMDA will maintain the proposed scope of Eligible Services for a start and will consult the industry and public again should there be a need to revise the definition or expand the scope in future. For services that would be phased out, these services would be included until their cessation. IMDA also notes the feedback that the performance and service levels of international roaming services are beyond the control of local Service Providers. However, IMDA is of the view that billing-related disputes on international roaming services can be reasonably addressed by the Service Providers and will refine the scope of eligible dispute issues as set out in Section C below.

## **C: PROPOSALS ON THE ELIGIBLE DISPUTE ISSUES**

2.9 IMDA had proposed that the Scheme cover disputes of all issues in relation to an Eligible Service provided by a Service Provider that has occurred within the past one year and can be resolved through service recovery efforts or compensated in kind or in monetary terms, except for:

- a) Cases that are criminal offences or regulatory matters undergoing investigation by any law enforcement or regulatory agency;
- b) Cases which have been subject to a Court hearing / SCT, for which a judgment or order has been passed;
- c) Cases pertaining to telecommunication and media policies;
- d) Cases arising from Service Providers providing assistance to law enforcement or other government agencies;
- e) Cases that have already been handled or rejected for handling by the ADR operator in which there is no new relevant information to support the case;
- f) Commercial decisions including what services Service Providers should offer, how the services should be priced and offered, and credit assessment decisions or policies;
- g) The content of services provided, including smartphone applications, premium services, Internet sites and TV; and
- h) Cases that are considered by the ADR operator to be frivolous or vexatious.

### **Overview of comments received and IMDA's responses**

2.10 All ADR bodies that responded to the consultation agreed with the proposed list of eligible dispute issues as they took the view that the list was comprehensive, and other issues could be considered in future when necessary. Some of the Service Providers and industry associations that responded to the consultation agreed with the proposed scope of eligible dispute issues, while some took the view that it should be limited to issues that were genuine, reasonable and not subjective. There was also a suggestion to

exempt Mobile Virtual Network Operators (“**MVNO**”) from mobile network issues as they relied on the network assets of their partner Mobile Network Operators (“**MNO**”).

2.11 Many of the Service Providers that responded to the consultation suggested additional exclusions including:

- a) Legal costs incurred by Eligible Customers;
- b) Pricing, discounts, promotions and packaging of services;
- c) Claims for consequential losses;
- d) Claims relating to work, services or equipment provided by third-party contractors or the Service Providers;
- e) Claims relating to work performed or services provided outside of Singapore beyond the control of local Service Providers;
- f) Customer service attitude; and
- g) Complaints on waiver of charges or loyalty discounts given by the Service Providers on a goodwill basis.

2.12 Some of the Service Providers that responded to the consultation were of the view that the one-year timeframe was too long and suggested that only disputes within the last three months should be eligible. There were also suggestions to place a cap on the monetary value of eligible disputes at either S\$5,000 or S\$10,000.

2.13 IMDA will maintain the proposed scope of eligible dispute issues, but will take the suggestions of some respondents to additionally exclude the following dispute issues:

- a) Defects, faults, or failure in or of third-party equipment that are not owned, operated, installed and/or hired out by Service Providers;
- b) Loss of revenue or profits caused by or arising from any failure of Service Provider to provide service;
- c) Customer service, including call centre performance;
- d) Cases in the midst of hearings by the Court or SCT, or being facilitated by other ADR bodies;
- e) Legal costs incurred by Eligible Customers; and
- f) Non-billing related performance and service levels of international roaming services.

2.14 IMDA notes the feedback that it would be unreasonable for Service Providers to be liable for defects or failure in or of third-party equipment, such as mobile phones and IPTVs, as these are not owned, operated, installed or hired out by them. Typically, for isolated defects or failure in such third-party equipment, consumers should approach the manufacturers directly for aftercare services

as they are best placed to repair or replace the equipment. However, IMDA would like to clarify that claims relating to equipment such as set-top boxes and modems that are part of the network set-up for provisioning the services, and that are operated and/or hired out by Service Providers, shall be eligible dispute issues under the Scheme.

- 2.15 IMDA notes that loss of revenue or profits by affected subscribers is highly subjective and hard to prove and is agreeable to exclude them from the Scheme. To prevent any duplication of effort, IMDA views that it would also be reasonable to exclude claims that are amid being heard or facilitated by the Courts, SCT or other ADR bodies. IMDA will additionally exclude claims relating specifically to bad customer care service as it will be subjective, and it will be hard to quantify the loss from experiencing such customer service.
- 2.16 IMDA also agrees with the suggestion to introduce a limit of S\$10,000 on the value of the dispute or claim. The quantum of the limit will be set at S\$10,000 instead of S\$5,000 as IMDA has taken into consideration the fact that the expenditure of Small Business Customers would likely be higher than for individuals, so a S\$10,000 cap would ensure that most of the small business dispute cases would be eligible under the Scheme.
- 2.17 IMDA would like to clarify that claims relating to debt collection methods or credit management policies, requests for loyalty rewards or discounts that are not compensatory in nature, and claims relating to pricing, promotions and packaging of services would fall under the category of “commercial decisions” that are already excluded from the scope of eligible dispute issues. Likewise, IMDA would like to clarify that costs incurred by consumers from hiring lawyers to represent them at the dispute resolution sessions under this Scheme are also non-compensatory in nature.
- 2.18 Regarding the proposed exclusion of work performed or services provided out of Singapore beyond the control of Service Providers, IMDA agrees with the feedback and revises the scope of eligible disputes for international roaming services to exclude claims relating to performance and service levels of international roaming services at the overseas end as these are beyond the control of Service Providers. To be clear, billing disputes relating to international roaming services are still eligible under the Scheme, such as billing errors or billing issues relating to non-provision of international roaming services when users are overseas even though the Eligible Customers had effected these services beforehand.
- 2.19 Lastly, with regard to the suggestion that MVNOs be exempted from mobile network issues, IMDA views that MVNOs have direct billing relationships with Eligible Customers for the provision of such services and can reasonably have



control over mobile network-related issues based on their negotiation or arrangements with their host MNOs. Hence, such issues should not be exempted from MVNOs.

## **D: PROPOSALS ON TELECOMMUNICATION AND MEDIA LICENSEES WHO WILL BE REQUIRED TO PARTICIPATE IN THE SCHEME**

2.20 IMDA had proposed to require the participation of all telecommunication and subscription TV Service Providers that have direct billing relationships with Eligible Customers for the provision of telecommunication and subscription TV services, as discussed in Sub-Section B.

### **Overview of comments received and IMDA's responses**

2.21 Most respondents generally agreed with the proposal as the participation of all Service Providers would ensure an equal playing field among Service Providers and would be less confusing to Eligible Customers. Some of the Service Providers that responded to the consultation suggested that any company that provided, or would be involved in the provision of, an Eligible Service should be required to participate even if it does not have a direct billing relationship. This would include handset manufacturers, PRS providers, International Direct Dialling (“IDD”) providers, third-party App Stores, and OTT video streaming service providers. In addition, some of the Service Providers that responded sought clarification on whether billing network operators should be attending the ADR sessions on behalf of the actual PRS providers.

2.22 IMDA will maintain its proposal to require the participation of all telecommunication and subscription TV Service Providers that have direct billing relationships with Eligible Customers for the provision of telecommunication and subscription TV services, as the disputes that this ADR Scheme cover arise due to the direct contractual relationships between Eligible Customers and their Service Providers. IMDA would like to clarify that any new Service Provider that provides any of the Eligible Services, will similarly be required to participate in the Scheme. IMDA would also highlight that some of the partners or third-party providers mentioned by the respondents do not provide services that are within the regulatory ambit of IMDA, so IMDA would not be able to mandate their participation under the Scheme. Nevertheless, IMDA would like to clarify that Service Providers are free to make arrangements with their partners or third-party service providers on cost sharing or attendance of ADR sessions, as long as the authorised representative of the Service Provider(s) is empowered to make decisions to settle the claims.

## **E: PROPOSALS ON THE ELIGIBLE CUSTOMERS**

2.23 IMDA had proposed the following on what would constitute “Eligible Customers”:

- a) Inclusion of “Small Business Customers” as “Eligible Customers”;
- b) Definition of “Small Business Customers” – which was scoped to refer to businesses or companies which register an annual revenue of up to S\$1 million each; which each employs up to 10 workers; and that has a direct billing relationship with the Service Provider either on a recurring basis or once-off basis for telecommunication or subscription TV services; and
- c) Some Eligible Customers may appoint authorised representatives.

### **Overview of comments received and IMDA’s responses**

#### **Inclusion of Small Business Customers as Eligible Customers**

2.24 The majority of the industry associations and ADR bodies that responded to the consultation agreed with the proposed inclusion of Small Business Customers as they might be similar to individual customers with regard to their level of negotiating power. However, the majority of the Service Providers that responded disagreed with the proposed inclusion as they took the view that businesses would have access to better resources than individuals and do not lack bargaining power in general. Some of the Service Providers also highlighted that it would be operationally difficult for Service Providers to ascertain the size of businesses to determine eligibility under the Scheme.

2.25 IMDA will maintain the position that Small Business Customers shall also be eligible for ADR under the Scheme. IMDA is of the view that Small Business Customers, as narrowly defined under the Scheme, typically subscribe to standard corporate packages and have comparable level of negotiating power as Individual Consumers. Therefore, it would be beneficial to provide this ADR avenue for small businesses (e.g., home businesses) to seek recourse to supplement the baseline safeguards under the existing consumer protection measures. As such, Eligible Customers under the Scheme will consist of both Individual Consumers and Small Business Customers.

#### **Definition of Small Business Customers**

2.26 Some of the Service Providers that responded to the consultation disagreed with the proposed definition of Small Business Customers, while the majority of the ADR bodies agreed with it. Some of the respondents suggested considering the amount that the Small Business Customers spends on services with the Service Provider in the definition as it might be a better indicator of their

bargaining power with the Service Provider. A respondent also suggested that Small Business Customers should provide clear documentation to prove that they fall under the definition.

- 2.27 IMDA agrees with the respondents' suggestion that the Small Business Customers' spending on telecommunication and/or subscription TV services is a better indicator of bargaining power. Therefore, for the purpose of this Scheme, the definition of Small Business Customers will be revised to:

*A Small Business Customer is a business or company that registers an annual revenue<sup>1</sup> of up to S\$1 million, and which has a spending (amount billed by Service Provider) of up to S\$5,000 over the past six months on all applicable services<sup>2</sup> subscribed from the Service Provider.*

- 2.28 The spending cap of up to S\$5,000 refers to the spending by a Small Business Customer on services subscribed from the Service Provider which it has a dispute with. This will be based on a period of six months preceding the referral of the dispute to the ADR Scheme operator and will be based on the amount billed to the customer by the Service Provider. A period of six months (compared to one year) would allow more Small Business Customers who recently subscribed to the Eligible Services to qualify for the Scheme.
- 2.29 IMDA would like to clarify that Small Business Customers are required to declare their eligibility according to the definition, and Service Providers will be allowed to contest the claim if they disagree. If requested, Small Business Customers are required to furnish documentary proof of their annual revenue and records of their past six months' spending on services with Service Providers.

### **Some Eligible Customers may appoint authorised representatives**

- 2.30 Most respondents generally did not comment on this proposal, except for some ADR bodies that sought IMDA's clarification on the specific groups of Eligible Customers who would be allowed to appoint authorised representatives, and whether lawyers could be appointed as authorised representatives.
- 2.31 IMDA will maintain its proposal and would clarify that Individual Consumers must participate in-person unless they wish to be represented or accompanied by authorised representatives including lawyers, or are unable to participate, due to various reasons such as old age, under-age, illiteracy or infirmity of mind or body. IMDA recognises that such Individual Consumers may not be able to

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<sup>1</sup> Gross revenue before tax, in the 12 months ending on the applicable date.

<sup>2</sup> All telecommunication and subscription TV services. Directory and payphone services are excluded.

participate in the mediation session or be in a capacity to submit arguments on their own. To be clear, Small Business Customers who are eligible under the Scheme may also appoint any person or lawyer authorised to make decisions on behalf of such business to represent them for ADR sessions.

## **F: PROPOSALS ON THE ADR PROCESS UNDER THE SCHEME**

2.32 IMDA had proposed the following on the ADR process under the Scheme:

- a) **Two-step ADR process** – Step 1 with mediation (which is a facilitated agreement by mediator), and then Step 2 with adjudication for disputes (which is a binding decision if agreement cannot be reached) that remain unresolved after the mediation stage and Eligible Customers wish to proceed to adjudication;
- b) **Option for Eligible Customers to go straight to adjudication** – Eligible Customers who consider there to be little prospect of reaching an amicable settlement through mediation may opt to go straight to adjudication;
- c) **14-day advance notice before ADR** – Eligible Customers are required to serve a notice of intention to escalate their disputes to the ADR Scheme, to their Service Providers at least 14 calendar days in advance. Eligible Customers must approach their Service Providers first to resolve the disputes before escalating to the ADR operator;
- d) **Documents-based adjudication** – Mediation sessions will be conducted face-to-face, while adjudication will be based on document-only reviews; and
- e) **Option for Eligible Customers to reject the adjudicated decision** – The adjudicated decision will be binding on Service Providers only if Eligible Customers accept it.

### **Overview of comments received and IMDA's responses**

#### **Two-step ADR process and option for customers to go straight to adjudication**

2.33 The majority of the Service Providers that responded to the consultation, except for one who was of the view that the Scheme should be based solely on mediation, responded that the Scheme would not be necessary but did not comment specifically on the two-step approach comprising mediation and adjudication. An industry association took the view that the Scheme should promote mutual understanding through mediation instead of adversarial

processes like adjudication. All ADR bodies that responded to this consultation supported the two-step ADR process under the Scheme and some of them explained that the adjudication stage would help to ensure finality for disputes that could not be resolved through mediation.

- 2.34 All ADR bodies that responded to this consultation supported providing Eligible Customers with the option to go straight to adjudication, as mediation might not be effective in resolving disputes where parties were unwilling to participate in good faith. As negotiations and dialogues would already have taken place prior to mediation, the ADR bodies took the view that Eligible Customers should be accorded the option to go straight to adjudication if further discussions are unlikely to be productive. Some of the Service Providers responded that they, like Eligible Customers, should also be accorded with the option to do so too.
- 2.35 IMDA will maintain the proposal for a two-step process, with the first step being mediation. This takes into consideration that while a large proportion of disputes are likely to be resolved at mediation, there will still be a need for a second step to address unresolved disputes and provide finality to the disputing parties. Please note that for greater accuracy and clarity, the second step will be referred to as “determination” instead of “adjudication”. The substance of the second step will however remain the same in essence – i.e. it will be document-based and the decision will be final and binding.
- 2.36 Notwithstanding the two-step process, IMDA will provide Eligible Consumers the option to go straight to determination, if they wish. This takes into consideration that matters may be at an advanced stage and the Eligible Consumer has assessed that it would be more expedient to directly opt for determination.
- 2.37 IMDA is of the view that limiting the option of going straight to determination to Eligible Customers instead of both Eligible Customers and Service Providers would save time and effort, would further reduce the disparity in bargaining power between Eligible Customers and Service Providers, and would incentivise Service Providers to resolve disputes more quickly.
- 2.38 At the time of the public consultation in 2018, the ADR process under the Scheme (in particular for mediation) was envisaged to be (by default) an in-person one. This will now be improved, as the ADR process under the Scheme for both mediation and determination will be conducted via the ADR operator’s online platform/system. This change comes as part of the Government’s wider digitalisation efforts and an increasing imperative for greater online interactions in a post-COVID-19 environment. For Eligible Customers who are non-tech savvy and might require further assistance, in-person mediation and/or in-person submission of documents for determination may be offered, upon over-

the-counter lodgement of the dispute at the ADR operator's office(s). Appointments for the relevant ADR process under the Scheme for such cases will be scheduled around one month from successful lodgement.

### **14-day advance notice before ADR**

- 2.39 The majority of the respondents agreed with the proposal for Eligible Customers to provide Service Providers with advance notice of their intention to proceed to ADR under the Scheme, with suggestions for the notification timeframe ranging from seven days to 30 days. An ADR body suggested to provide the option for parties to consent to the initiation of ADR under the Scheme before the prescribed period is up. Some of the Service Providers that responded to the consultation sought clarification on how Eligible Customers would demonstrate that there was a genuine attempt to resolve the dispute with their Service Providers before escalating the dispute to the ADR operator.
- 2.40 IMDA will maintain the proposal for Eligible Customers to provide Service Providers (through the ADR operator) with a 14-day advance notice of intention to proceed to ADR under the Scheme. For the notice of intention to be served, Eligible Customers must first provide the relevant details of the case to the ADR operator. The 14-day notice of intention will provide Service Providers with sufficient notice of Eligible Customers' intention(s) and an opportunity for Service Providers to resolve disputes prior to the commencement of the two-step ADR process under the Scheme, after the issuance of the notice. The period of 14 days would not unduly prolong the initiation of the ADR process and would incentivise Service Providers to resolve the dispute. IMDA would like to clarify that after serving the notice of intention to Service Providers, if Eligible Customers do not follow through and initiate the ADR process with the ADR operator by the end of the 14-day period, the dispute (under the Scheme) will be considered closed.
- 2.41 In addition, IMDA is also of the view that if previous engagements between the parties have already proven to be unproductive, it would be in the interest of both parties to initiate the two-step ADR process under the Scheme. As such, either party can request to initiate the process before the 14-day notice is up, as long as the other party consents to it.
- 2.42 IMDA would like to also clarify that Eligible Customers will be required to declare that they had attempted to settle the disputes with Service Providers before initiating dispute resolution under the Scheme, and Service Providers will be allowed to contest the claim if they disagree. Eligible Customers will have to make this declaration when providing the case details to the ADR operator. If requested, Eligible Customers are required to furnish documentary proof (e.g. email, call records, letter) of their attempts.

## **Documents-based adjudication**

- 2.43 The majority of the respondents agreed to a documents-based process for adjudication, as it would save time, costs and resources. Some Service Providers and ADR bodies that responded to the consultation suggested providing adjudicators with the flexibility to call for physical hearings if they require further clarification. Some of the Service Providers that responded also suggested that both parties should be allowed to review the documents submitted by each other and respond to inaccuracies or misrepresentations, and that audio call recordings should be allowed for submission for administrative ease, instead of transcripts.
- 2.44 IMDA will maintain the proposal to have a documents-based approach for the determination stage in the second step. This is especially since the second step involves a binding decision (which will require a more complex review of the supporting documents/evidence of a dispute), a documents-based approach will be more cost-effective and less time-consuming.
- 2.45 Regarding the other suggestions, IMDA would like to clarify that the administrative procedure including the processes for document submission and clarification, and the types and formats of evidence required, will be firmed up at a later stage by the appointed ADR operator.

## **Option for Eligible Customers to reject adjudicated decision**

- 2.46 The majority of the respondents disagreed with the proposal for Eligible Customers to be given the option to reject the adjudicated decision as it would prolong the ADR process and not achieve finality. Several Service Providers that responded to the consultation were also of the view that this would not be fair or reasonable to them and suggested that there should be an appeal process instead.
- 2.47 Taking into consideration the respondents' comments, IMDA has decided not to provide Eligible Customers with the option to reject the decision made under determination. Instead, to minimise potential abuse of the Scheme, should Eligible Customers and Service Providers proceed for determination, the decision will be final and binding on both parties. Given that the nature of such disputes is not likely to be complex, and the expected values of disputes are unlikely to be very high, the Scheme will not provide for an appeal or review process to save time and cost, and to ensure finality. Nevertheless, to alleviate concerns about the fairness of the decision, IMDA will require that the appointed ADR operator put forth trained professionals who will render the decision in accordance with the ADR operator's code of conduct. IMDA will also conduct

regular reviews of the ADR process including the facilitated agreements and binding decisions issued, to assess areas for improvement.

## **G: PROPOSALS ON THE FUNDING AND FEE STRUCTURE OF THE SCHEME**

2.48 IMDA had proposed for the Scheme to be self-sustainable through co-payment by Eligible Customers and Service Providers in the ratio of 10:90 for both mediation and adjudication. Eligible Customers would thus bear 10% of the case fees, while Service Providers bear the remaining 90%. The fees for Eligible Customers was estimated to start from S\$10 and S\$50 for mediation and adjudication respectively.

### **Overview of comments received and IMDA's response**

2.49 The majority of the Service Providers that responded to the consultation disagreed with the proposed co-payment ratio as they were of the view that it was unjustifiably skewed in favour of Eligible Customers and would likely encourage more frivolous claims. Some of the Service Providers that responded expressed concerns that Eligible Customers may abuse the Scheme to threaten Service Providers to accede to claims that were below the cost of the Scheme. Suggestions from the Service Providers to increase the Eligible Customer payment portion included ratios of 25:75, 20:80, 30:70 and 50:50. Some also suggested that the adjudicator decide which party bears the higher cost based on the case merits. Most of the ADR bodies which responded to the consultation, however, took the view that the proposed fee ratio was fair and equitable given IMDA's intent to reduce the disparity in the bargaining powers of Eligible Customers and Service Providers.

2.50 IMDA notes the concerns from the Service Providers that responded to the consultation that Eligible Customers may be encouraged to file frivolous claims due to the fees that are skewed in their favour. Therefore, IMDA will subject the fees paid by Eligible Customers to a minimum of S\$10 to ensure that the Eligible Customers are deterred from filing frivolous claims.

2.51 In addition, to prevent abuse of the Scheme and frivolous escalation of disputes from mediation to determination, IMDA will increase the Eligible Customers' payment portion for determination to 30%, while Service Providers pay the remaining 70%. In view that Eligible Customers will now have the option to go straight to determination, to prevent abuse of the Scheme and to encourage the use of mediation, which is less adversarial, IMDA will require Eligible Customers to bear 50% of the determination fees if they opt to go straight to determination without going through mediation first. The Service Providers will be required to bear the remaining 50% of the determination fees if Eligible



Customers opt to go straight to determination without first going through mediation.

## **H: PROPOSED APPOINTMENT OF ADR OPERATOR(S)**

- 2.52 At the time of the public consultation, IMDA had not proposed or consulted on the specific ADR operator(s) that it would appoint for the Scheme, as this was dependent on the mechanics of the Scheme that were still being consulted on. After considering the feedback and finalising the mechanics of the Scheme, IMDA has reviewed the available ADR operators based on their ability to cater to the specific needs of the Scheme.
- 2.53 IMDA notes that most local and overseas ADR schemes appoint only one ADR operator as opposed to having multiple ADR operators, as it provides a single point of contact and single fee structure, which minimises confusion for consumers. It would also ensure that there is a standardised approach to ADR, especially for adjudicated/determined decisions, and deters abuse of the scheme by repeat complaint filings with multiple ADR operators. Hence, IMDA will appoint one ADR operator for a start. Nevertheless, IMDA may appoint more than one ADR operator if the demand for the services under the Scheme is high or if the introduction of more ADR operators with different service propositions can better cater to Eligible Customers' needs, while addressing the risks associated with multiple ADR operators.
- 2.54 As the Scheme requires an ADR operator that is able to provide both mediation and an escalation step – i.e. to render a binding decision, and consider cases involving Small Business Customers, IMDA has determined that the Singapore Mediation Centre (“**SMC**”) is best placed to implement the Scheme, based on its experience in relevant dispute resolution processes such as mediation and adjudication. SMC is also able to consider cases involving Small Business Customers. Therefore, IMDA has decided to appoint SMC as the ADR operator to administer the Scheme. For the avoidance of doubt, IMDA would like to clarify that consumers are not prevented from approaching other bodies, such as CASE or the SCT, to seek redress for their disputes with Service Providers.

## **3. CONCLUSION AND IMDA'S DECISION**

- 3.1 Having considered all the feedback and comments received during the public consultation, IMDA's decision on each of the areas that were consulted on, are summarised below.

## **ELIGIBLE TELECOMMUNICATION AND MEDIA SERVICES**

3.2 Eligible Services under the Scheme will include all telecommunication and subscription TV services for which Eligible Customers would enter into service agreements, billing arrangements or incur once-off charges with Service Providers. Eligible Services would include, but are not limited to:

- a) Mobile Services (including voice, data, SMS, international roaming services, VAS and PRS”);
- b) Fixed-line Broadband Internet Access Services (including fibre broadband services);
- c) Fixed Line Services (including DEL, digital voice, IP telephony system, PABX, VAS, International Calls);
- d) Subscription TV Services; and
- e) Fibre Connection Services.

3.3. The following services shall not be considered Eligible Services and shall be excluded as a start:

- a) OTT Services;
- b) Bill-on-behalf Services, except for PRS;
- c) Payphone Services; and
- d) Directory Services.

## **ELIGIBLE DISPUTE ISSUES UNDER THE SCHEME**

3.4. The Scheme will cover disputes of all issues in relation to an Eligible Service provided by a Service Provider that has occurred within the past one year and which can be resolved through service recovery efforts or compensated in kind or monetary terms, except for:

- a) Cases that are criminal offences or regulatory matters undergoing investigation by any law enforcement or regulatory agency;
- b) Cases which have been subject to a Court hearing/ SCT, for which a judgment or order has been passed;
- c) Cases in the midst of hearings by the Court or SCT, or facilitated by other ADR bodies;
- d) Cases that have already been handled or rejected for handling by the ADR operator in which there is no new relevant information to support the case;
- e) Cases pertaining to telecommunication and media policies;
- f) Cases arising from Service Providers providing assistance to law enforcement or other government agencies;

- g) Commercial decisions, including decisions relating to services that Service Providers should offer, how such services should be priced and offered, and credit assessment decisions or policies;
- h) The content of services provided, including smartphone applications, premium services, Internet sites and TV;
- i) Cases that are considered by the ADR operator to be frivolous or vexatious;
- j) Defects, faults, or failure in or of third-party equipment that are not owned, operated, installed and/or hired out by Service Providers;
- k) Loss of revenue or profits caused by or arising from any failure of Service Providers to provide service;
- l) Customer service, including call centre performance;
- m) Legal costs incurred by Eligible Customers; and
- n) Non-billing related performance and service level of international roaming services.

3.5. The monetary value of disputes shall be capped at S\$10,000.

**DEFINITION OF DESIGNATED MEDIA LICENSEES AND DECLARED TELECOMMUNICATION LICENSEES**

3.6. The designated media licensees and declared telecommunication licensees shall include all subscription TV and telecommunication Service Providers (as the case may be) that have direct billing relationships with Eligible Customers for the provision of subscription TV and telecommunication services. The designated media licensees and declared telecommunication licensees shall include the following:

Telecommunication Service Providers	<ul style="list-style-type: none"> <li>a) Changi Travel Services Pte Ltd;</li> <li>b) China Mobile International (Singapore) Pte Ltd;</li> <li>c) Geenet Pte Ltd;</li> <li>d) Gorilla Mobile Singapore Pte Ltd</li> <li>e) ICYMI Pte Ltd;</li> <li>f) Liberty Wireless Pte Ltd;</li> <li>g) MyRepublic Broadband Pte Ltd;</li> <li>h) MyRepublic Limited;</li> <li>i) M1 Limited;</li> <li>j) M1 Net Ltd;</li> <li>k) NetLink NBN Management Pte Ltd (in its capacity as trustee-manager of NetLink NBN Trust) and NetLink Management Pte Ltd (in its capacity as trustee of NetLink Trust)</li> <li>l) Red One Pte Ltd;</li> </ul>
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	m) Singapore Telecommunications Limited; n) SingNet Pte Ltd; o) Singtel Mobile Singapore Pte Ltd; p) StarHub Ltd; q) StarHub Mobile Pte Ltd; r) StarHub Online Pte Ltd; s) TPG Telecom Pte Ltd; t) ViewQwest Pte Ltd; u) Whiz Communications Pte Ltd;-and v) Zero1 Pte Ltd.
Subscription TV Service Providers	a) SingNet Pte Ltd; and b) StarHub Cable Vision Ltd.

## ELIGIBLE CUSTOMERS

- 3.7. Eligible Customers shall consist of Individual Consumers and Small Business Customers.
- 3.8. Individual Consumers are individuals who have a direct billing relationship with Service Providers either on a recurring or once-off basis for telecommunication or subscription TV services.
- 3.9. Small Business Customers are defined, for the purposes of the Scheme, as a business or company that registers an annual revenue<sup>3</sup> of up to S\$1 million, and with a spending (amount billed by Service Provider) of up to S\$5,000 over the past six months on all applicable services<sup>4</sup> subscribed from the Service Provider. Small Business Customers are required to declare their eligibility and provide documentary proof if requested.

## ADR PROCESS UNDER THE SCHEME

- 3.10. The Scheme will comprise a two-step ADR process – mediation, then determination for disputes that are not resolved after mediation. For the avoidance of doubt, the ADR process is not an automatic one – i.e. Eligible Customers may choose whether to proceed with determination should both parties fail to resolve a dispute during mediation. Eligible Customers will also have the option to go straight to determination. The ADR process will by default be conducted online. In-person sessions may be offered to Eligible Customers

<sup>3</sup> See footnote 1.

<sup>4</sup> See footnote 2.

who are non-tech savvy. Lodgement of the dispute must however be done over-the-counter at the ADR operator's office(s).

- 3.11. Eligible Customers will be required to provide a 14-calendar day "notice of intention", via the ADR operator's online system, to Service Providers before initiating the ADR process. Either party in a dispute may request to initiate the process before the 14-day notice is up, provided that the other party consents to it. Eligible Customers will be required to declare that they had attempted to resolve the dispute with Service Providers before initiating dispute resolution under the Scheme, and will be required to furnish documentary proof if requested.
- 3.12. An up-front security deposit of \$10 will be required when lodging a dispute under the Scheme. The Eligible Customer will be refunded if the lodged dispute is resolved prior to the initiation of the relevant ADR process or if the Eligible Customer decides not to follow through and initiate the relevant ADR process at the end of the 14-day notice of intention.
- 3.13. The mediation process will be conducted, by default, using a chatroom accessed via the ADR operator's online system. The determination process will be documents-based. The determination decision will be final and binding on both parties.

### **SCHEME FUNDING AND FEE STRUCTURE**

- 3.14. The Scheme will be funded through co-payment by Eligible Customers and Service Providers in the ratio of 10:90 for mediation, with fees paid by Eligible Customers subject to a minimum of S\$10. Should the dispute be escalated to the determination stage, the fees ratio for the determination stage by Eligible Customers and Service Providers will be 30:70. If Eligible Customers choose to go straight to determination, bypassing the mediation stage, the fees ratio for determination by Eligible Customers and Service Providers will be 50:50.

### **APPOINTMENT OF ADR OPERATOR**

- 3.15. The SMC will be appointed as the ADR operator to administer the Scheme by 1 April 2022.