

## **RESPONSE TO MEDIA DEVELOPMENT AUTHORITY'S PUBLIC CONSULTATION ON REVIEW OF CONSUMER PROTECTION MEASURES IN MEDIA MARKET CODE**

- A. The Consumers Association of Singapore (CASE) is of the view that Media Development Authority is moving in the right direction by putting emphasis on consumer protection as a priority in its regulation on pay-tv service providers.
- B. However CASE is of the view that more can be done as the proposals are mild. Consumers need more protection to level the playing field. We believe that pay-tv providers are still overly protected unnecessarily.

### **CASE'S RESPONSE**

#### **1. UNILATERAL CONTRACT VARIATION**

##### **a. Regulate "Free gifts" and give consumers choices between "free gift" and non-free gifts packages.**

There are "free gifts" being offered by pay TV service providers such as ancillary equipment and laptops amongst others which are not essential to the provision of pay TV service. Yet if there is a unilateral contract variation or the contract is prematurely terminated, the consumer is penalised or made to return the free gifts or the conditional gifts. This should not be the case. MDA should also come out in its guidelines or directions to pay-tv service providers a broad definition of situations where it is considered that the subscriber is being penalised.

Pay TV Service providers should also not be offering fake free gifts, conditional free gifts or other free items in connection with the supply of good and services in circumstances when it amount to an unfair practice 17 in Schedule of the Consumer Protection Fair Trading Act. When a "free gift" is given, it should be free and should not be conditional on continuing with the contract. If the additional items is not free, the retailers should be required to disclose and state the cost of the items upfront

In fact, Pay-Tv providers should be required to offer packages without the so called "free gifts" and we expect the fee for such services should be significantly lower as compared to packages that come with additional items not related to the pay-tv service or "free gifts". In addition, there should totally be no early termination charges (ETC) at all if consumers sign up for such packages.

##### **b. Disallow charges for upgrading of ancillary equipment**

Similarly for bundled service arrangements contracts between the consumer and the TV service providers where ancillary equipment is provided, consumers should not be penalised and made to pay for any upgrade of the ancillary equipment like the set-up box which should form part of the contract of providing such a service, upgraded or otherwise. Such ancillary equipment are essential to ensure that the service can be delivered, without which such pay-tv service cannot be streamed. As such we are of the view that upgrading of such equipment for service to be continued is the contractual obligation of the retailers to ensure performance of their contract and consumers should not be made to pay for the upgrading.

**c. Give consumers choices in the arranging of bundled programmes**

We are very concerned with the increasing bundling of programmes by service providers over the years. We need to institute some form of control over such free for all practice. In fact, we should require pay TV providers to offer unbundled programmes so that consumers have the choice to choose the programmes and not compelled into signing up a bundled in which most of the programmes are not viewed by the consumers. We prefer that this right be given to consumers. This is the best option.

However if MDA wishes to continue to allow bundling, we like to recommend that consumers be given the right to choose the programmes to be included in the bundled of x number of programmes as an option. Currently there is no control on the number of programmes in the bundle and retailers are given the free hand to pass on the cost of unwanted programmes to consumers unfairly. If nothing is done, more unwanted programmes will be added and consumers are unfairly compelled to pay for the cost of such additions. The intention is to give consumers some form of control on the escalating cost of bundling of which they are made to pay. This will also give consumers wider choices in subscribing to Pay-Tv.

**d. Remove the 30 days time limit for consumers to exit**

CASE agrees with MDA's proposal to allow Pay TV subscribers to exit fixed term contracts without having to pay early termination charges. The consumer should be allowed to exit free of charge if there is an increase in subscription fee, removal of channels or removal of material content within a channel. However we disagree that consumer be required to exit only if it is done within 30 days as suggested by MDA. CASE is of the view that the time to exit should be decided by the consumers and there should not be a time limit for the consumer to exit. Imposing a time limit on consumers to exit would allow pay TV providers to time their price adjustments or change in terms and conditions at a time when consumers find it difficult to exit such as a popular programme is running or going to run at a given point in time. Also it is not clear when there is a "removal of material content" within a channel. MDA should in its directions or order or regulations make clear what amount to a removal of material content.

**e. Prices changes should be disallowed during the duration of the contract**

We like to propose that prices changes should be disallowed during the duration of the contract. Justified price adjustments should only be allowed when consumers renew their contract. As for the pay-tv providers, this would mean that any prices change cannot be effected across the board and would be phased in as consumers renew their contracts. This would solve part of the problem of ETC on the part relating to price changes. We really need to send a strong signal to all that a contract signed should be honoured as far as possible and any change is strongly discouraged.

**f. Dispute resolution process**

We do agree with MDA that in the event of a disagreement both parties can refer their dispute to MDA for a resolution. We also accept that there need to be safeguard to stop abuse by both consumers and service providers and it is therefore heartening that MDA will act as the arbitrator should disputes arise in this matter and this will expedite the resolution of dispute in a cheap, fast and efficient way.

## **2. PROHIBIT RETAILERS FROM DOING FORCED UPGRADE OF NON-TV SERVICES**

CASE agree with MDA proposal to disallow retailers from forcing subscribers to upgrade their non-pay TV services such as broadband or phone service as a condition to upgrade the pay TV service.

However the TV providers have an option to offer such upgrade to consumers. CASE does not see why consumers have to pay for an upgraded set-up box. Any such upgrading costs should be borne by the pay-tv service providers and should not be passed on to the consumers particularly so during the duration of the contract.

## **3. NOTIFY CONSUMERS OF IMPORTANT TERMS AND CONDITION OF SERVICE.**

CASE agree with the need for retailers to be transparent and bring to the attention of consumers important terms of the contract before it is signed by the consumers. The 5 important terms as set out in the proposal by MDA is acceptable and timely. This will certainly enhance transparency so that consumers can make informed choice.

Also CASE is pleased that MDA like IDA require consumers to obtain subscribers clear consent to continue with the trial and/or complimentary service before they can start charging. CASE is of the view that the consent must be expressed in writing by the consumers and there should be no deemed or implied consent which CASE notice some businesses have a tendency to push for and promote. Silence and/or no physical action of writing is not sufficient to amount to consent.

## **4. TRANSFER OF CERTAIN CONSUMER –NOTIFICATION LICENCES TO MEDIA MARKET CONDUCT CODE (MMCC)**

The transfer of the licence condition to the MMCC is in the right direction as consumers can now easily know about such conditions as they appear in the Code itself which is easily accessible by the consumers as it is now a public document. It brings as MDA states greater public awareness and transparency.

## **5. REMOVAL OF PDPA-type provisions from MMCC**

This is now the common position taken by organisations as it is better for the provisions of Personal Data Protection Act (PDPA) to cover personal data rather than for each organisation to have its separate personal data provision which may be in conflict with the said PDPA.

CASE have also not touched on all aspects of MDA proposals and look forward to MDA making more revisions after taking into account CASE and feedback from consumers who are the parties who are at most times under the mercy of the TV Service Provider and where retailers generally decide the terms and conditions of the contracts and consumers have little choice but to subscribe to pay-tv programmes. The fact that there are only a few players in the industry gives the retailers the market power to dictate most of the terms and conditions. With these changes CASE look forward to MDA help in making it a fairer playing field on quality, pricing and transparency.

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