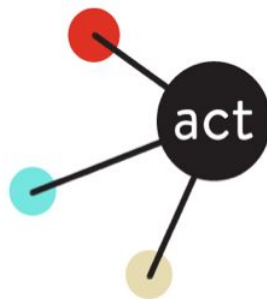


Ageing, Communication, Technologies (ACT)



Fair sales practices and affordable services:
the cell phone needs of Canadian seniors

Submitted to the Government of British Columbia:
“Cell Phone Billing Transparency” Study

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1 . EXECUTIVE SUMMARY

Telecommunication services are not a luxury, but a life necessity for seniors and an integral part of citizenship. Seniors use telecommunications to access government services, for entertainment and information, to maintain family relationships and friendships, to communicate in the event of an emergency, and to mitigate social isolation. Seniors emphasize that having fair access to telecommunication services at a fair price is imperative. As one senior told us: “cell phones have become a necessity of life. Because otherwise, how are we going to manage?”. As more and more services go online, participating in public life, including in this mostly digital consultation on consumer protection, indicates that the right of access to information in the digital age is a human right.

In a society where knowledge of the ins and outs of the digital world is unevenly distributed along the lines of age, education, literacy and income, it is unfair to place the burden of digital expertise on Canadian consumers: sales representatives are explicitly trained or incentivized to prey upon those without a prior lack of knowledge or experience. This expectation is particularly unfair to seniors, who are often faced with a myriad of new stresses in later life, such as health concerns, changes in home ownership, living on fixed incomes, dealing with losses of life partners and friends. All of us are getting older, and these issues impact or will impact all Canadians. For these reasons, advocating for fairness in the sale, pricing and delivery of cell phone services for seniors is of concern to all Canadians.

In this report, we address the following questions based on previous research findings:

- Contracts and billing: are cell phone contracts and bills easy to understand?
- Business practices: do cell phone service providers adhere to fair sales practices?
- Affordability: are cell phone services of good value and reasonable cost for consumers?
- Consumer rights and responsibilities: what could be done to ensure that consumers know their rights and responsibilities when it comes to cell phone services?
- Consumer protection: what suggestions do you have for the province to strengthen consumer protection regarding cell phone services?

2. INTRODUCTION

2.1 Ageing + Communication + Technologies

Ageing, Communication, Technologies (ACT— www.actproject.ca) is an international, interdisciplinary research project funded by the Social Sciences and Humanities Research Council (SSHRC) and hosted at Concordia University in Montreal, Quebec. ACT brings together over 50 researchers from 12 countries as well as students, community organizers, artists and seniors. Together, we are committed to documenting and analyzing the transformation of how Canadians are ageing in the context of the proliferation of new forms of mediated communications in networked societies. ACT investigates ageing from a number of perspectives. Importantly, ACT examines how ‘digital ageism’— individual and systemic age-related biases--creates forms of inclusion and exclusion within digitally-dependent societies.

2.2 Methodology

This report draws from two previous reports submitted to the CRTC. For these two reports, data was gathered in multiple ways.

2.2.1 Between November 2017 and August 2018, we gathered data from interviews with 53 seniors over the age of 60. We conducted most of these interviews in tandem with data collection for a previously-released report to the CRTC (Sawchuk, Lafontaine & Besanger, 2018). We gathered this data in the following ways:

A. Five focus groups involving a total of 25 older adults. These focus groups were conducted in Montreal, Quebec (two focus groups); Lanark, Ontario (one focus group); Maberly, Ontario (one focus group); and Kamloops, British Columbia (one focus group). Approximately 60 percent of the participants in these focus groups come from communities that have been marginalized in Canadian society because of their socio-economic status, ethno-cultural background or first language.

B. Twenty one-on-one interviews were conducted over a period of two days in a mall located in downtown Montreal. This mall is notable for being heavily frequented by seniors during the day, and in close proximity to several

subsidized housing buildings for seniors in the West of the downtown area. Each interview lasted between 10 and 45 minutes. Approximately half of the respondents were over the age of 80, and most of the interviewees did not have access to the internet from their homes. By going to the mall, we reached seniors who would not typically participate in research projects or seek to participate in public inquiries.

C. Another eight one-on-one interviews were conducted with seniors in Montreal, Quebec; Gatineau, Quebec; Ottawa, Ontario; Toronto, Ontario; Feversham, Ontario and Kamloops, British Columbia. Each of these interviews lasted between 20 to 60 minutes.

2.2.2 We include findings from surveys we conducted as part of the first two waves of a large scale cross-national longitudinal study exploring the ways older adults in Canada use traditional and new media and new technologies (the ACT longitudinal survey, see Appendix A). Over 2,000 Canadians older adults over 60 responded to a 30-question survey during over two waves of data collection, which took place in 2017 and 2018, and was facilitated by the firm Léger 360.

2.2.3 Finally, this report is informed by over ten years of working on research projects investigating the experiences of older adults living in an increasingly digitizing world. This includes heading an international research project on aging, communication and technologies, and coordinating a network of researchers since 2014. We also draw from years of experience leading digital literacy projects and digital media-making projects with groups of older adults. Specifically, we frequently work with demographic groups traditionally marginalized in Canadian society including women, ethnic, cultural and linguistic minorities, recent immigrants, low-income older adults, and older adults with disabilities.

3. CONTRACTS AND BILLING

3.1 Context

Older adults over the age of 65 have never been so proficient in their use of digital technologies as they are at this moment in our national history. While the digital divide between generations is narrowing, younger Canadians are still more connected to the Internet (Statistics Canada, 2017) and digitally experienced than their older counterparts. The oldest Canadians, most notably those over the age of 75, are much less connected and digitally experienced than the youngest seniors, many of whom have used digital technologies for extended periods of time in their workplace before retiring (Allen, 2013, p. 2).

According to Statistics Canada, only 43% of Canadian seniors over the age of 75 use the Internet on a daily or weekly basis (Statistics Canada, 2017). Yet knowledge of and experience with digital devices and digital services are important factors when it comes time to purchase telecommunication services. When a consumer has a clear understanding of the scope of their telecommunication needs and is able to articulate this using current terminology, then they are better able to identify services and devices that are suitable and to resist the upselling efforts of sales representatives.

In the current context, an understanding of devices, available services, knowledge of the telecommunications market, and digital trends in Canada are necessary to identify misleading deals that are “too good to be true” and to select services that are likely to be of better value. For example, knowing that Canadian “[w]ireless data usage increased 44% from 2014 to 2015” (CRTC, 2016) might help a consumer choose a plan that allows for more data consumption, making them less likely to incur monthly surcharge fees before their contract expires.

3.1.1. Seniors have reported being misled and lured into contracts under false pretenses.

Seniors in our focus groups reported being pressured into sales, or reported instances where sales representatives blatantly lied to them and misrepresented the terms of their contracts. These cases were recounted most often when sales representatives sought out potential consumers in person (at the door or in public), and when seniors were put in a position to make a decision or sign “on the spot”.

In two harrowing examples, sales representatives surreptitiously signed seniors into agreements with companies without their knowledge. An older woman from Kamloops, British Columbia explained to us that she got “scammed” by a third party sales representative hired by Telus:

I got scammed this summer by Telus. Well, two young guys came around to the door. And they checked our account and they had their little tablets and they were checking on our account. And then they said, well, you're such good customers, we're going to give you a free phone: no obligation whatsoever. I said, “oh fine, I don't need a phone. I'm not upgrading or anything.” And they said, “well, there's no obligation.” So I took this and it was an LG phone. I never did activate it or do anything with it. And then a couple months ago, my cell phone went up \$200 extra! They were charging me a payout on this phone. So, that was a big fight to get rid of that.

Another similar example came from an 82-year-old woman from Montreal. In her interview, she explained being approached by a young sales representative in an outdoor booth hosted by Bell. The man said that he was having a terrible day and needed “just one more signature” to end his shift and return home. He assured her that this was just a signature to confirm that he had spoken to her, and that it would not beholden her to any obligation. She explained that she felt empathy for the sales representative and thought that she was helping him out by filling out the paperwork as she was instructed. Bell called her within a few days to secure payment, and only then did she realize that unknowingly she had signed a contract. She was able to resolve the situation with Bell, but felt deeply misled and explained that she lost a great deal of trust in Bell and, more broadly, in Canadian telecommunication companies.

3.1.2 Broken trust, “mutual loyalty” and billing.

A number of seniors cited the importance of trust in their dealings with telecommunication companies, twinned with a frustration that there are limited choices in their local market. As a 72-year-old woman told us: “You have to pick one, so sometimes you're better off with the devil you know!”. Another senior pointed out how he had lost trust in Bell over time:

Bell is the only company that I have taken off automatic payment from my bank account, I do not trust them. A year ago, I was paying between \$50 and \$70

dollars extra a month because they were making mistakes or overcharging me for whatever reason. I needed to scrutinize the billing every month and spend hours on the phone, and wait months for a credit. Now I only pay the amount that is actually due and I call and tell them to fix their own problems.

Research indicates that seniors tend to display loyalty because of their affiliation with companies or brands earlier in life (Iyer, Reisenwitz and Eastman, 2008). Many senior interviewees disclosed having been customers of the same telecommunication company for decades.

Some stated that they dealt with hassles as they came because they believed their telecommunication service provider valued their years of loyalty. One interviewee, in his 60s, expressed his dismay that Bell had given his daughter a better price for similar telecommunication services. As he put it:

My customer loyalty should have a value to them (Bell), I've been a customer for years and I expect they will treat me well. You shouldn't have to pay more, or you shouldn't get a worse service than anybody else. And that is what I expect. It really annoys me when service providers offer these amazing promotional deals to newcomers.

For many of the seniors that we have interviewed, loyalty is a two-way street and they express discontent when telecommunication companies do not reciprocate this loyalty, and, much worse, when companies take advantage of them at the moment of sale. On the other hand, some seniors have reported that they are afraid to use their long-running loyalty as leverage in bargaining for rates. They report fearing to reveal their years with a company because this could, in turn, reveal their age. One woman commented that this could make her more vulnerable to ruthless sales representatives. She said, "maybe we shouldn't tell them we've been with them for 40 years".

3.2 Contract negotiations

3.2.1 Many seniors do not know that prices of telecommunication packages can be negotiated.

Nearly half of the seniors that we have interviewed did not know that the prices of telecommunication packages might be negotiable. They assumed that the price or package that was first offered to them was fixed and fair. Many of our interviewees, in particular those over the age of 75, told us that they accepted the first price and the first

package that were suggested to them and reported that they did not know that they could negotiate. As one participant explained: “that is just how it is, the price of the service, there is nothing to negotiate”. In a revelatory moment during a focus group, half of the participants realized that the other half had been negotiating their telecommunication prices for years. Participants then began comparing the rates they pay, only to conclude amongst themselves that those who had been negotiating were paying lower prices.

Our research suggests that there is a generational factor at play impacting seniors’ awareness of the ability to negotiate prices of telecommunication services. Many of the oldest seniors we interviewed first acquired communication services at a time when prices for telephone services in Canada were under federal regulation; when prices were fixed and approved by regulatory bodies to ensure the affordability of communication services for all Canadians. Pricing, not only for landline phones, but for television services, were also the subject of regulation to counter increases that could be expected from market consolidation.

Since the 1980s, the prices of vast majority of telecommunication services used by Canadians have become less regulated and more determined by free market forces. Younger adults, in contrast to older adults, have lived a larger proportion of their telecommunication consumer experience in an era of deregulated prices and have never had an expectation of “fixed and fair” prices for telecommunication services.

3.2.2 Capacity to negotiate

One of the several factors that help seniors negotiate a fair telecommunication package is the ability to negotiate. Previous research we have conducted on seniors and cell phones shows that one’s ability to negotiate contracts is often tied to one’s professional experience (Sawchuk and Crow, 2011). Those who have worked in higher-paying white collar jobs often know who to talk to and what to say in order to have a problem addressed. This knowledge gives retired or pre-retirement white-collar workers, particularly those whose first language is English or French, an edge in dealing with sales or customer service representatives.

One 63-year-old senior who worked in finance explained that he is aware that he is well positioned to negotiate with service providers. He negotiates all day at the office, and has “no problem doing this with telecom companies [...] I always negotiate, unless I’m buying a pair of pants at The Bay, you know, then the price is the price. But I know that you usually negotiate the price of services, that’s normal”. He explains that he calls his

service provider every six months and asks them “what can you do to keep me as a customer?”. Other seniors explained that they learned to threaten to switch companies when complaining about a charge finding that this was the one way to negotiate the best outcome possible. One interviewee however, stated that she does not even bother phoning customer service anymore: she “just phones to quit”.

4. BUSINESS PRACTICES

From our research, we have observed that seniors who attempt to use devices that are beyond their level of proficiency can be put into positions of financial vulnerability. Seniors report being lied to about the offerings of companies, and sold services and devices that are unsuitable to their needs.

4.1 Upselling

Canadian seniors, compared to their international counterparts, rely heavily on traditional services like landlines and television and less so on data-heavy cell phone and Internet plans (Loos, Nimrod & Fernández-Ardèvol, 2017). Canadian seniors, like most of their international counterparts, spend less money, on average, for telecommunication packages than younger age cohorts.

When sales representatives offer seniors more extensive and expensive digital packages, including packages typically sold to younger Canadian consumers, they have an opportunity to inflate their sales. By neglecting the needs of seniors, or not taking the time to help seniors understand their own needs, representatives have an opportunity to increase their individual sales and company’s profit.

The intense pressures placed on sales representatives in a commission-based system creates a structure that encourages these types of abuses. This is corroborated by recent CBC reporting on the comments of former employees of telecommunication companies, who were instructed, specifically, to lie to seniors to sell them expensive telecommunication packages (Johnson, August 23, 2018). This pressure to upsell is confirmed in our findings.

In several instances, we have heard of representatives pressuring seniors to buy smartphones when they specifically have requested to purchase a flip phone. In one

especially egregious case of upselling, an 86-year-old man seeking a landline was told that landline technology was outdated. The sales representative sold him a smartphone with an expensive data plan. The man had never owned a cellphone before and he was unable to turn the device on, navigate the interface, or make a call. This left him unable to communicate with his family or friends. Eventually, a social worker stepped in to call the service provider to resolve the issue. Not having access to a phone would have left him extremely vulnerable in the event of an emergency.

4.1.2 Upselling to low-income seniors

Seniors we spoke to reported that they have been instructed or pressured to purchase services or devices they do not need. This can have disastrous consequences for low-income seniors, in particular. Low-income Canadians spend roughly 9% of their income on telecommunication services (CRTC, 2018a). More than anyone else, they cannot afford to be overcharged or sold products and services that they do not need. Through our work in low-income housing for seniors, we have witnessed, first-hand, the devastating impacts of inflated bills and dishonest sales practices on low income seniors. For many in this demographic, paying off inflated bills or paying for expensive, unnecessary services can lead to budget sacrifices for necessities such as food or medication.

The issue of suitability applies to the sale of services that are disproportionate to the needs of older consumers. Seniors have reported paying large sums for services like high bandwidth and data limits. A low-income senior in his 80s, for instance, was sold a telecommunication package that included unlimited Internet for his home. Yet he did not have a computer, a smartphone or any device that allowed him to use the Internet. He reported paying a monthly sum that was so high it had required him to cut back on other life necessities.

4.2 Targeting seniors *because* of their age

A number of our interviewees stated that they had felt, at some time or another, targeted by aggressive or misleading sales practices from telecommunication companies specifically because of their age or status as seniors. This includes instances when they thought the sales representatives were trying to confuse them with complicated language about technologies.

Research suggests that targeted sales tactics, which uses scripts and sets unrealistic sales quotas, are a commonly adopted marketing strategy (Fishman, 2004; Meredith et al. 2002), and that age is the demographic variable most prominently used in consumer

marketing (Mitchell, 1995). Some seniors told of sales representatives who employed condescending attitudes and infantilizing language to intimidate them and highlight their lack of knowledge as a way to push the sale of services.

Additionally, some seniors reported that sales representatives started to take advantage of them in their old age, and that companies were counting on the fact that they would not notice nor contest abuses. For example, an 81-year-old male interviewee had been in a months-long battle with Bell over a promotion for a cable package that was promised at the time of sale. The promotion never materialized and he was charged for more than he had expected. Frustrated that the company would not honour its commitment, he asked that they take away his cable box and cancel his package. After the cable box was recuperated and the services were cancelled, Bell charged him for the full price of the cable box, telling him that he had never returned the box. Faced with a bill of hundreds of dollars, the man decided to not pay and to pursue legal avenues. His other telecommunication services, which were also provided by Bell, were cut off. This left him with no landline or cell phone for weeks (he had no Internet plan). He described this as being “held hostage” by Bell. The situation made him stressed and fearful that he would have an emergency and have no way to reach out for help. As a long-time Bell customer, he felt betrayed and he believed Bell was taking advantage of the fact that he was older. He doubted that he would have been “pushed around” in the same way had he been younger. He stated: “I can’t believe that they just started doing this to me as soon as I turned 80”.

Some older adults are aware that sales representatives know their age and believe that this puts them at a disadvantage. In a focus group, one woman warned the other participants that the companies know how old they are because of the data in their files. She cautioned that sales representatives could use this information to take advantage of them.

5. COST AND AFFORDABILITY

5.1 Income inequality and ageing

Just as there are differences in the number of older adults from province to province, seniors are not a homogeneous cohort in terms of the question of affordability. New data shows that after nearly two decades of decline, poverty among seniors is on the

rise once again.¹ While the low-income rate has declined among Canadians under 65, it has spiked for seniors, reversing a 20-year trend. According to Statistics Canada, between 2014 and 2015, 75,000 more seniors became low income. Nearly 2 million seniors receive the Guaranteed Income Supplement, and live on about \$17,000 per year. However, the most basic standard of living in Canada is calculated at \$18,000 per year for a single person.

According to a 2019 Statistics Canada report, the increase in the low-income rate for seniors, particularly women, indicates that *their* income is not rising as much as the income of non-seniors. These incremental, steady increases are troubling and they have implications when addressing the need of affordable services for all Canadians. As the number of low-income seniors increases, so too does the number of Canadians who are vulnerable to poverty and unable to meet their basic living needs.²

5.1.1 Income Inequality: Gender, Race and Disability

As research demonstrates, the usage and acquisition of digital experience that leads to digital literacy within the senior population are closely tied to other factors of social exclusion including gender, race and disability (Lafontaine & Sawchuk, 2015). This is strongly tied to income inequality, which must be considered in deliberations and discussions around the affordability of mobile wireless services. In terms of telecommunications services, women are one of the most vulnerable groups. Between 2006 and 2010, 160,000 more seniors were said to be living in a situation of low income. Of that amount, almost 60 per cent were women. Poverty rates among older adults tend to be highest among women, particularly widows over the age of 75. According to the Broadbent Institute, 28% of single women seniors are living in poverty in Canada versus 24% for single males. This is due, in large part, to the linking of pension allowances to employment history.³

In the Canadian context, any discussion of a seniors' market must take income inequality into account. Within this expansive definition of a senior's market, gender, age, disability, and race matter. In all respects, women are amongst the most disadvantaged groups in the country across the board. Nearly 15% of people with

¹ Conference Board of Canada, *How Canada Performs: Elderly Poverty*, <https://www.conferenceboard.ca/hcp/Details/society/elderly-poverty>

² Statistics Canada, "Canada's population estimates: Age and Sex, July 1, 2018," *The Daily*, Friday, January 25, 2019

³ HOOPP: Healthcare of Ontario Pension Plan, "Seniors and Poverty: Canada's New Crisis?" August 2017; Andrew Jackson, "federal Poverty Strategy Discounts needs of Seniors," ; The Broadbent blog, Sept, 21, 2018, https://www.broadbentinstitute.ca/andrew_ajackson/federal_poverty_strategy_discounts_needs_of_seniors

disabilities live in poverty, 59% of which are women. 21% of single mothers in Canada raise their children while living in poverty (7% of single fathers raise their children in poverty). Women parenting on their own enter shelters at twice the rate of two-parent families. An estimated 1 in 5 racialized families lives in poverty in Canada, as opposed to 1 in 20 non-racialized families, while racialized women earn 32% less at work. Indigenous peoples (including First Nations, Métis, and Inuit peoples) are overrepresented among the homeless population in virtually all urban centres in Canada.⁴

When considering access to telecommunications services, Indigenous people, racialized women, single women, people with disabilities and older women are most in need of affordable telecommunication services. Again, while we have used the term senior's market in this report, what is important to recall is that people are not just a market: ***they are Canadian citizens who require access to mobile, wireless communications as per telecommunications regulatory policy 2016-496, in which the Commission declares that "Mobile wireless services forms part of its universal service objectives"***.

5.1.2 Older adults: Less money on packages but a larger percentage of annual income

Canadian seniors, like most of their international counterparts, spend less money, on average, for telecommunication packages, than younger age cohorts. A recent CRTC report explains the Canadian context:

Households whose reference person [who typically handles financial matters in the home] is aged 40 to 54 spent the most on communications services (\$257.75 per month), while those with reference persons aged 65 years or over spent the least (\$182.33 per month) (CRTC, 2018a).

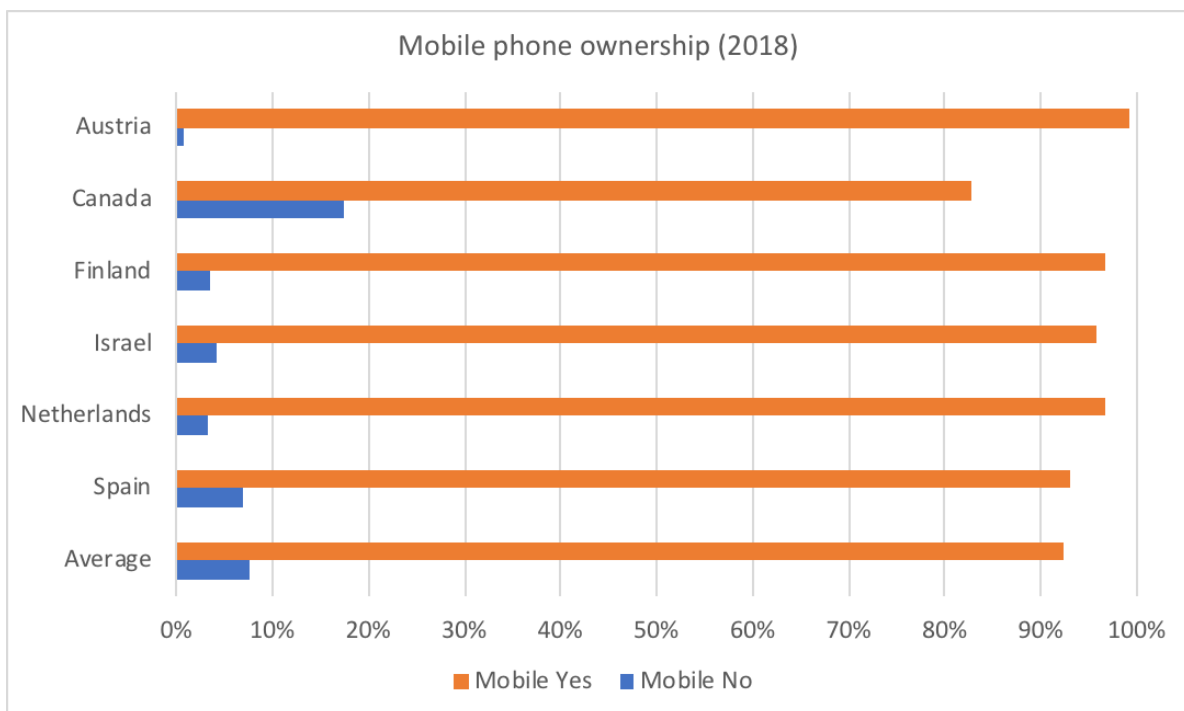
Older adults may spend the least, but if we take into account the income levels of this population, then one clearly sees the effect of unaffordability. It bears repeating that, according to CRTC data low-income Canadians, including low-income seniors, spend roughly 9% of their income on telecommunication services (CRTC, 2018a). More than anyone else, they need access to services that are affordable.

⁴ Canada Without Poverty, "Just the Facts," <http://www.cwp-csp.ca/poverty/just-the-facts/>

5.1.3 Canadian seniors and affordability thresholds

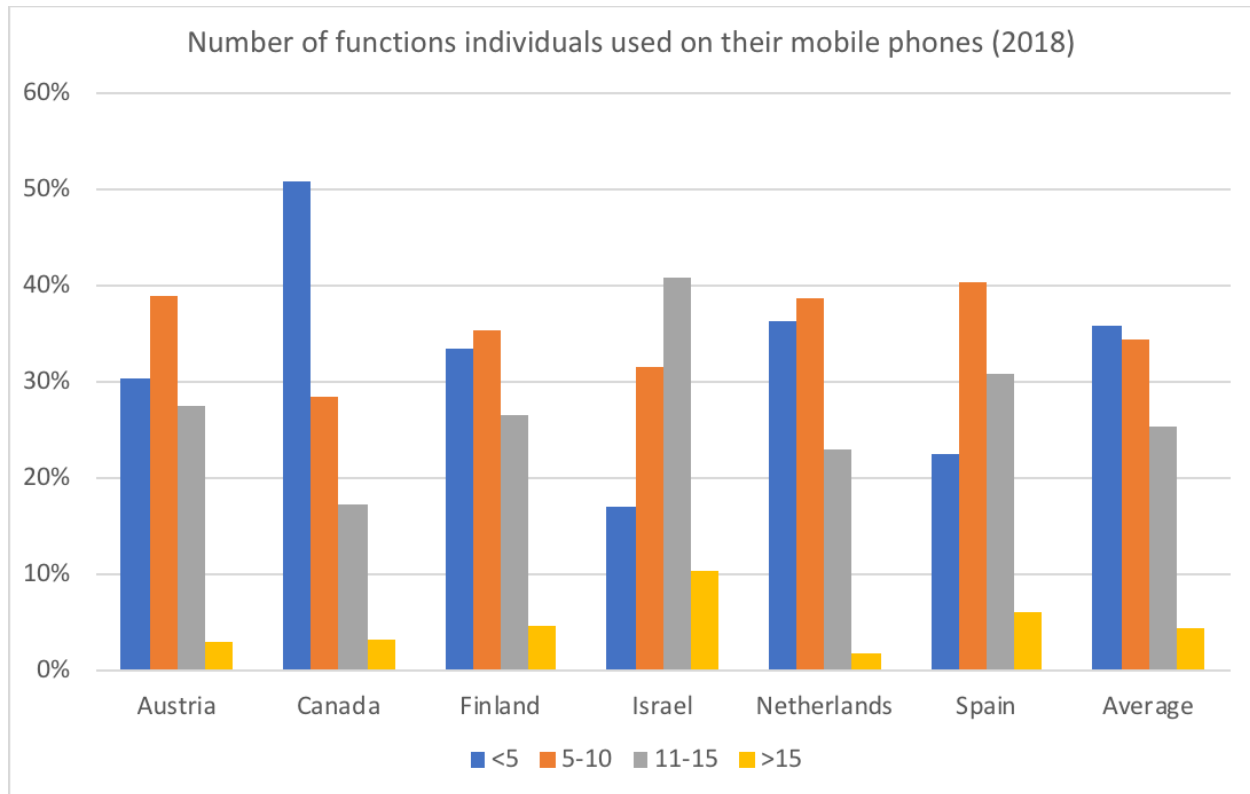
The high costs of mobile wireless services in Canada means that Canadian seniors, compared to their international counterparts, rely heavily on traditional services like landlines and television and less so on data-heavy cell phone and Internet plans (Loos, Nimrod & Fernández-Ardèvol, 2017). One of the questions that needs to be interrogated is how this connects to affordability. Our research comparing how seniors in Canada, Finland, Spain, Austria and Israel use communication technologies indicates that Canadian seniors are least likely to have a mobile phone, and those who do have mobile phones use fewer functions than seniors in the other countries. More than 17% of the Canadian seniors surveyed did not have a phone, compared to the average across the international survey of less than 8% (see Figure 1). Fewer than half of the Canadians used more than five functions on their mobile phones (compared to the international average of 64%), suggesting that mobile phones are not as heavily used in Canada as they are in other countries (see Figure 2).

Figure 1: Seniors' mobile phone ownership by country



Source: ACT research, survey of seniors, N=7324

Figure 2: Seniors' mobile phone usage by country



Source: ACT research, survey of seniors, N=7260

Based on affordability thresholds from the literature and recent data on the evolution of communications spending in Canada, it has been estimated that, for those with incomes below \$24,000 per year, paying for basic fixed and mobile access services can be considered unaffordable. While this affordability threshold should be informative as a basis for future research and policymaking, such measures can conceal substantive inequalities, as we have argued in the preceding sections. It is incumbent on the government to pay attention here, as we cannot and should not underestimate the magnitude of affordability gaps facing some of the most vulnerable groups, such as “children from low-income households, persons with severe disabilities, low-income seniors and those facing structural unemployment.” (Rajubian, R. Ellis, D and Middleton, C, 2016, p. 3).

5.1.4 Market-centred approaches and citizen-centred approaches

The needs and reliance of Canadians on mobile wireless services is constantly evolving. In this shifting landscape of uses, it is vital to look at the consumer side.

Increasingly, Canadians have more pressure to remain in “perpetual connection” with each other. Rather than trying to meet the pressure to be perpetually connected by offering more data at affordable prices, Canada’s mobile operators have invested in building systems that help Canadians *limit* their consumption of mobile services (see the record of the 2016-2017 review of the Wireless Code of Conduct, CRTC TNC 2016-293, on this point).

Although reliable and speedy access to information is vital to economic growth and innovation, the Canadian approach is to create limits to data access through punitive pricing structures rather than to encourage anytime, anywhere information access. This approach is “unique” compared to the rest of the world, but not in a good way. What is clear is that the evolution of wireless service industry has not favoured everyday, ordinary Canadians.

5.1.5 The new administrative fees

Seniors have noted the new “administrative fees” being levied by Bell, Rogers and other companies on those who call customer service for help and may find they are being charged for using the phone. As one 82 year-old interviewee candidly remarked: ⁵

I think this fee is very unjust: the fee will affect mainly seniors... it does not only impact many, who may be technically challenged but also those who are financially disadvantaged. The move to add extra fees may also result in extended isolation. I would also like to note that the lack of availability of a cell phone could result in cases where the individual does not have any other means of communication (i.e.in public places) has the possibility to be exposed to dangerous situations, where a cell phone is needed to prevent a possible life-threatening situation. (i.e. a fall, an attack, etc.)

6. CONSUMER PROTECTION

6.1 Seniors at the mercy of telecommunication providers”

⁵ Sophia Harris, “Makes Me Angry”: Big Telcos Service Fees Concern Wireless Customers and the CRTC, CBC News · Posted: May 11, 2019 4:00 AM ET
<https://www.cbc.ca/news/business/10-fee-customer-service-calls-crtc-fido-koodo-bell-1.5130950>

Despite the fact that in 2018 the Commission for Complaints for Telecom-Television Services (CCTS) found that complaints against telecommunications providers had increased by 73 percent over a year (Innovation, Science and Economic Development Canada, June 14, 2018), the seniors we interviewed were generally not aware of the CCTS and its mandate. The seniors who had been mis-led had, by-and-large, not sought recourse with a third party on their own.

Instead, many seniors reported asking loved ones to step in or reported spending a significant amount of time on the phone with service providers in attempts to obtain reimbursements, or to adjust services to match the commitments that had been made. One man explained that he spent “hours and hours” on the phone dealing with at least five home visits so that his Internet speed would be increased to the level that he was promised, and that the ordeal had brought about “a lot of stress”.

Others reported having had to “cut their losses with bad deals”, and just accepted to pay. As one of them explains:

It’s just not worth it, for a few dollars, they make you jump through hoops and explain yourself... and they should be the ones explaining themselves. They know we don’t have time to deal with all of this and they can get away with it.

In some cases, seniors explain that it is their voice against that of the telecommunication provider and that they may not have access to written or recorded proof of the commitment that was made to them. One man from Québec explained to us that he was promised a cellphone for \$138 by Vidéotron, only to be given a substantially higher price when he went to the store to purchase the device. He came home empty-handed, still wanting the deal he was promised:

So I go back home and phone, and I actually was quite upset. I used some very bad words, so I won’t repeat them here. So I said, “Vidéotron lied to me, because if you check your records, and I would wish you would check right now, what is the price that you gave me 4 days ago?”. She answered that she could not give me that price. That’s not very good for seniors.

6.1.2 Managing data

Right now, the onus is put on the consumer to “manage their data”. Yet who wins? If consumers go over their monthly data limit, they face expensive surcharges. If they go

under their monthly data limits, they are not allowed to carry over or bank what they have paid for, but not used.

A 73-year-old woman, who describes herself as “techno-literate”, reported not being told that there was a difference between the data usage information on her Samsung phone, which clocks usage to the end of the month, and the data usage information on her carrier’s website, which clocks usage until the first week of the month. This resulted in excess data charges. This same interviewee reported that when she monitored her usage, she noticed that even when not using her data it was ‘disappearing’. She later learned, from a younger family member, that the applications that came programmed on the phone were likely updating when she was not in range of wifi. The sales representative who sold the phone with her package did not tell her about the potential for this costly discrepancy or any other information that would have been useful for managing her data so that she could stay within the parameters of the plan she had purchased.

Putting the onus on consumers to be responsible for this data management has become normalized in Canada, but not in the rest of the world. As has been noted in Shepherd and Middleton’s final comments for the review of the 2013 Wireless Code of Conduct:

We contend that by focusing on encouraging customers to better manage limitations imposed by the plans they offer, rather than on developing plans that better meet Canadians’ needs, Canada’s WSPs [wireless service providers] are not contributing to the development of a world-class communications system. Indeed, as a point of comparison, we note that the week after the hearing, fierce competition among WSPs in the US market encouraged all the major providers to either introduce unlimited data plans or to implement improvements to existing unlimited data options.⁶ The idea that a dynamic wireless market is characterized by innovations that constrain consumers’ access to services is simply unacceptable in an environment where “modern telecommunications services” have been declared to be “fundamental to Canada’s future economic prosperity, global competitiveness, social development, and democratic discourse.”⁷ A

⁶ Pressman, A. (2017). Competition Is Making Unlimited Mobile Data Plans Even Better. <http://fortune.com/2017/02/17/competition-making-unlimited-mobile-data-plans-better/>

⁷ Canadian Radio-television and Telecommunications Commission. (2016). Telecom Regulatory Policy CRTC 2016-496: Modern telecommunications services – The path forward for Canada’s digital economy. <http://www.crtc.gc.ca/eng/archive/2016/2016-496.htm>

world-class communication system should focus on enabling access, not developing better tools to limit usage.” (Shepherd & Middleton, 2017)

6.2 Consumer rights: age and digital divides

The ability to navigate the telecommunications world requires a level of digital know-how that is dependent upon age, education, general literacy and income. Given the complex reality of the rapidly changing landscape of technology, there is too much room for confusion, even among those who have basic digital literacy skills. A relatively high level of technical expertise is required to understand even “basic” details of a cell phone bill, data use, or Internet speed. Thus, it should not fall on consumers--particularly older consumers--to protect themselves from companies’ misleading sales tactics.

Some seniors have devised workarounds to resist falling prey to sales pressures: they have enlisted younger family members to mediate their dealings with service providers or to negotiate packages on their behalf. Several seniors reported that they rely on younger family members--children, grandchildren, nieces and nephews--or friends to help them deal with telecommunication service providers and intervene in particular situations. One of them reported her experience purchasing a cell phone:

I actually had to go with somebody who wanted to protect me. You need somebody who knows how to speak to people and how much they’re going to give you a discount, but now I just threaten to leave and it’s terrible that we have to do that. A lot of people don’t, and they just take a package.

Not all seniors have the luxury of close family or friendship ties with tech-savvy individuals. In this context, those without close social networks are more susceptible to predatory practices or less able to contest bills or services that do not meet their needs. Social workers and community group workers in Montreal report being asked to step in to deal directly with service providers on behalf of their senior clients. They did this even though this was not their job. They noted that telecommunication company representatives repeatedly refused to let them help mediate the situation. Other seniors, with expertise in negotiation and with more digital experience, reported that they often helped their friends get better deals. Not all seniors have this advantage, and indeed, the older a person is, the smaller their social network becomes, putting those who are the oldest into greater jeopardy.

7. CONCLUSION

The focus of our submission is straightforward: the current telecommunication landscape across Canada puts older adults--including older adults already marginalized through other socio-economic conditions--at a clear disadvantage in our increasingly digitizing society.

First, the pricing system is unaffordable to many Canadians who are 60 and over. This violates the 2016-496 regulatory framework that recognizes that mobile wireless services are a part of our universal service objectives. While revenues are consistently increasing for the major players in the telecommunications industry, this has not led to lower prices or more affordable mobile wireless services for all Canadians. The British Columbia government recognizes the negative impact caused by current high costs set by service providers, and their propensity to prevent older adults from accessing mobile wireless services. The diverse and varied needs of our country's older adults, including those living on low incomes, need to be considered before decisions are made that could potentially take away access to services that are essential to citizenship in Canada. It is crucial to consider the needs of older adults living in lower socio-economic circumstances who are most at risk of disconnection. It should not fall upon citizens and consumers to engage in monthly data management. It is the responsibility of government to ensure that affordable and fair access to telecommunications services is available to all Canadians.

Second, we contend that service providers deploy misleading and aggressive sales practices in their dealings with Canadians, and that this disproportionately impacts older Canadians, especially those living with low digital knowledge and income. We need to put in place measures to promote fair practices in the telecommunication industry. Based on the findings presented above, we outline the following recommendations pertaining to telecommunication service providers.

- A. Abolish commissions-based model of sales.
- B. End the sales of telecommunication services through third parties that are unaccountable to the service provider.
- C. Guarantee a 60-day grace period, allowing consumers to opt out of any contract on the basis of the suitability of services or devices to their needs.

- D. Raise the profile of the CCTS among the general public through public awareness campaigns, using both digital and non-digital methods of communication.
- E. Levy prohibitive fines on telecommunication companies whose sales representatives employ aggressive or misleading practices.
- F. Provide the consumer with a plain-language record of the agreement or contract at the moment of sale, including a hard copy when requested.
- G. Provide consumers with access to audio recording of sales or customer service calls.

Consumer protection from misleading and aggressive sales practices, guidelines to implement clear contracts and billing, and measures for ensuring affordability are imperative at this time.

We applaud the province of British Columbia for this initiative.

8. ACKNOWLEDGEMENTS

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9. APPENDIX A

Data on Canadian Seniors' Adoption of Landline and Mobile Phones

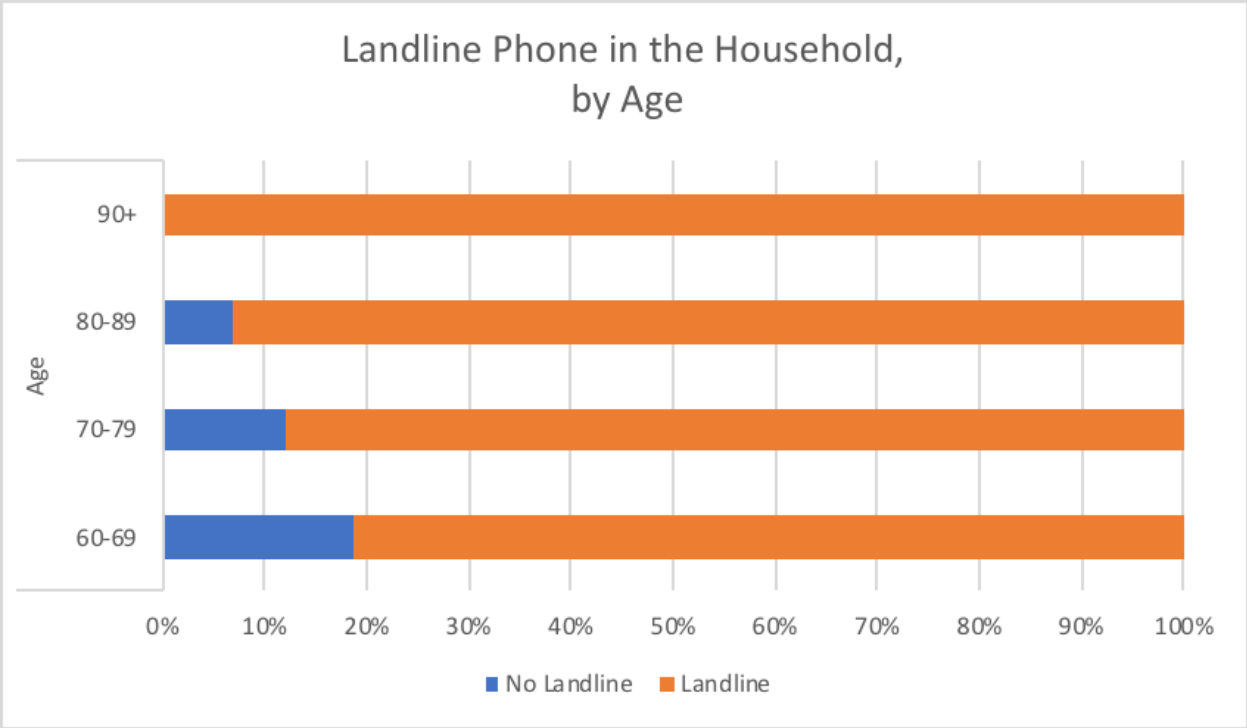
The data presented in this section come from the ACT project's cross-national longitudinal study on older audiences in the digital media environment. This data was collected in late 2018 from more than 2000 Canadians over the age of 60 who replied to our online survey (see Table 1 below for respondent characteristics). Survey respondents also participated in the first iteration of the study, conducted in mid-2017. Details of the survey are found in Loos, Nimrod and Fernández-Ardèvol (2018). We are currently undertaking cross-national comparative analysis and intend to share our findings in our October 2019 submission.

Our objective in sharing the data that follow in this appendix is to demonstrate the value of granular demographic analysis in showing the differences in communications technology usage within Canada's senior population. The data provide insights into the differences in landline and mobile phone adoption based on respondent age, education, income and location.

Table 1: Respondent characteristics

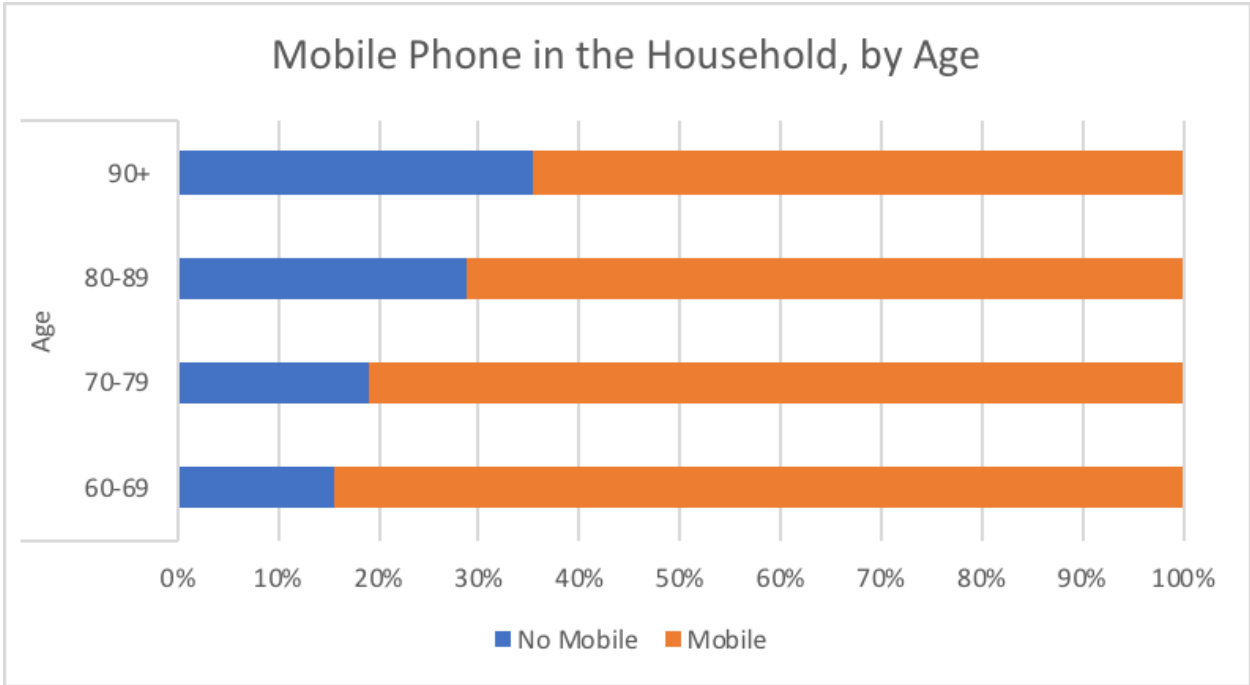
		% of respondents	Number of respondents
Sex	Male	46.6	969
	Female	53.4	1112
Age	60-69	44.5	926
	70-79	42.1	875
	80-89	12.6	263
	90+	0.8	17
Education	Primary or less	2.4	50
	Secondary	56.9	1183
	Tertiary	40.4	841
	Unreported	0.3	7
Income	Above the average	47.1	981
	Similar to the average	10.9	226
	Below the average	29.4	613
	Unreported	12.5	261
Location	Big urban conglomerate	54.3	1129
	Town or small city	31.8	662
	Non-urban	13.9	290
Total			2081

Figure 3: Landline Phone in the Household, by Age



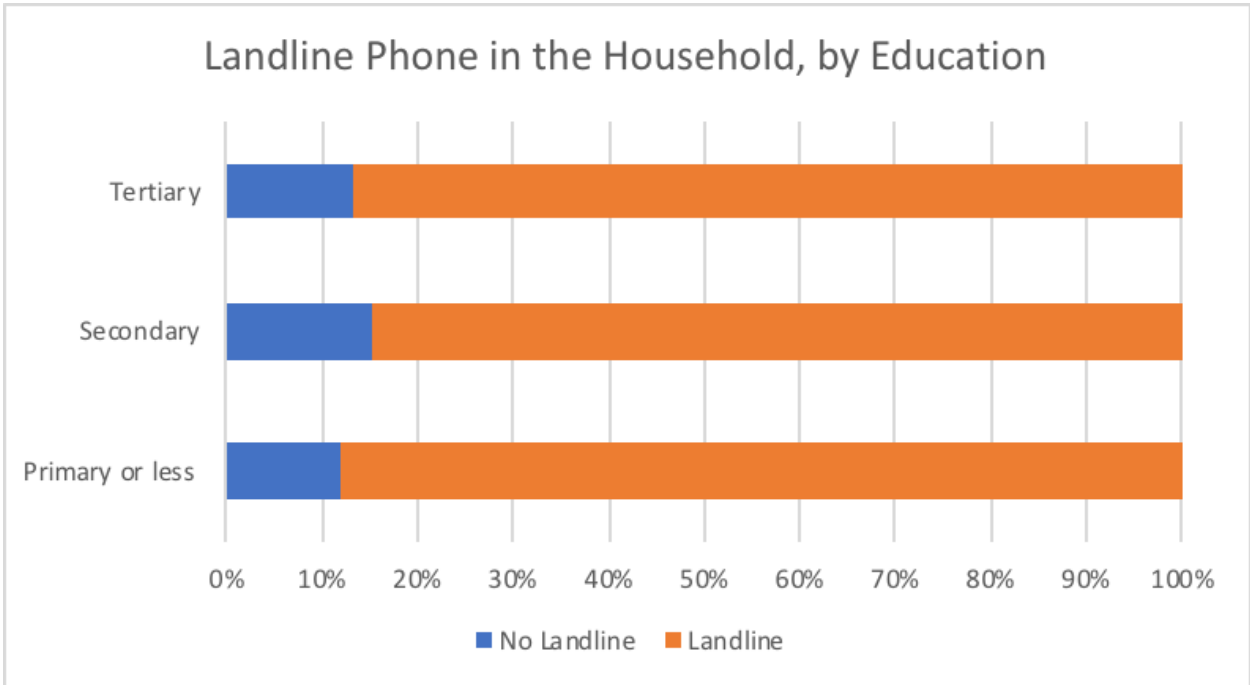
All the oldest seniors in the sample had landline phones. A higher percentage of 60-80-year-old respondents had foregone landline usage altogether than older respondents aged between 80-90+.

Figure 4: Mobile Phone in the Household, by Age



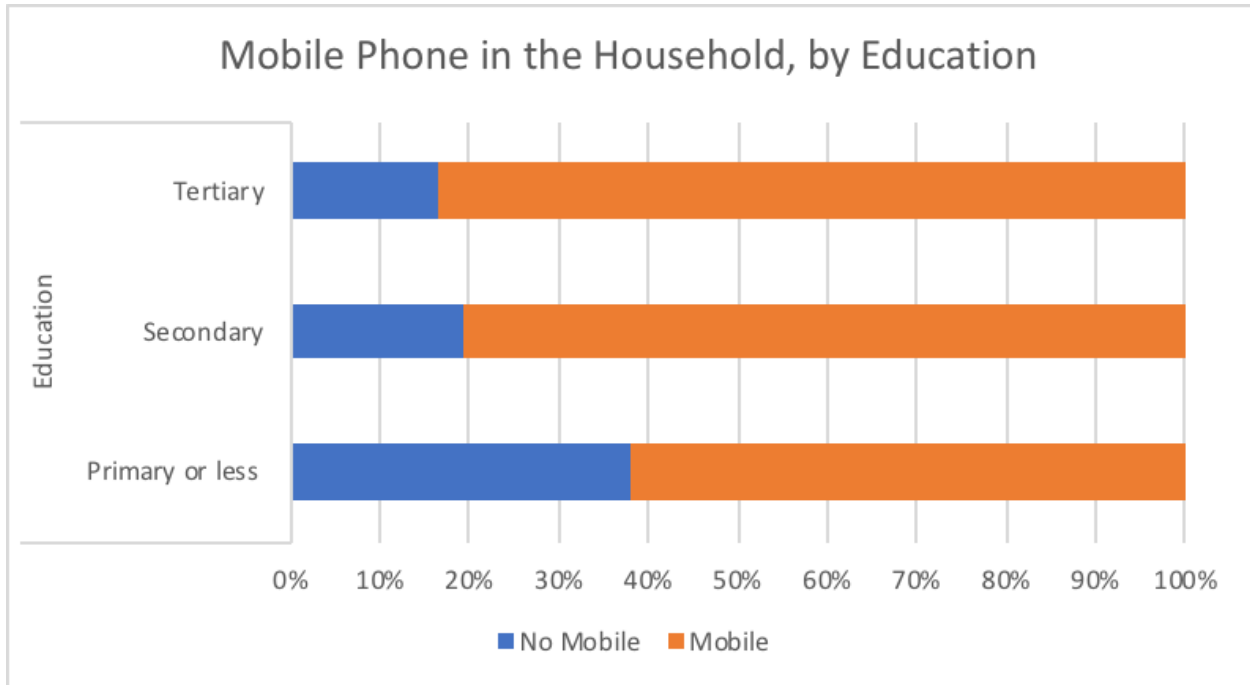
This figure shows that the older Canadian respondents were less likely to have a mobile phone in their household than younger respondents.

Figure 5: Landline Phone in the Household, by Education



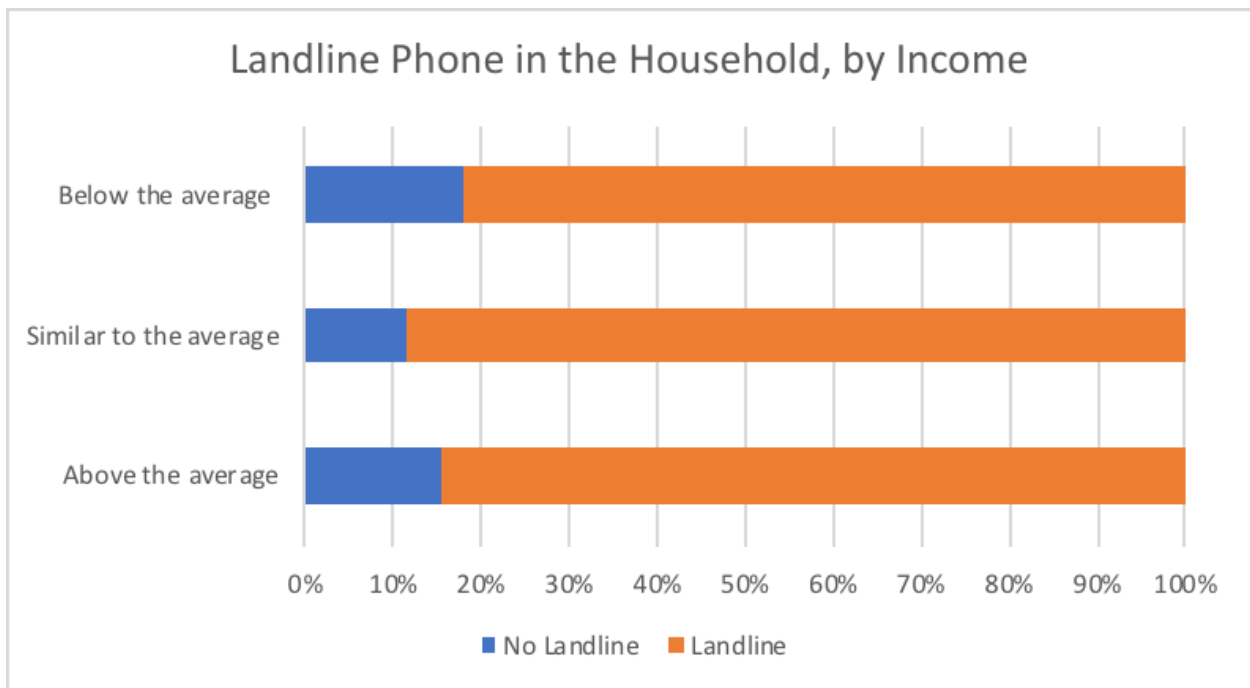
There is minimal variation among education levels and reported levels of landline phone usage at home.

Figure 6: Mobile Phone in the Household, by Education



It is observed that respondents with higher levels of education were more likely to have a mobile phone in their household.

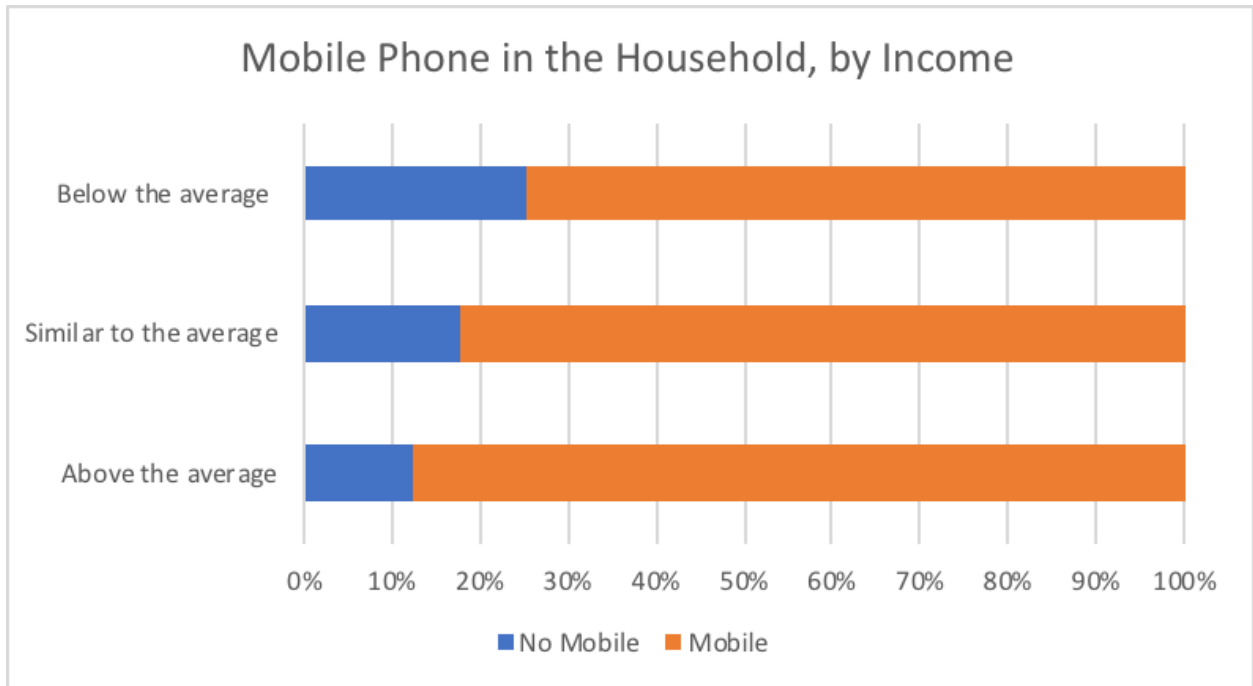
Figure 7: Landline Phone in the Household, by Income



The lowest income seniors were least likely to have a landline in their household. As compared to the general population however (e.g. as reported in the 2018

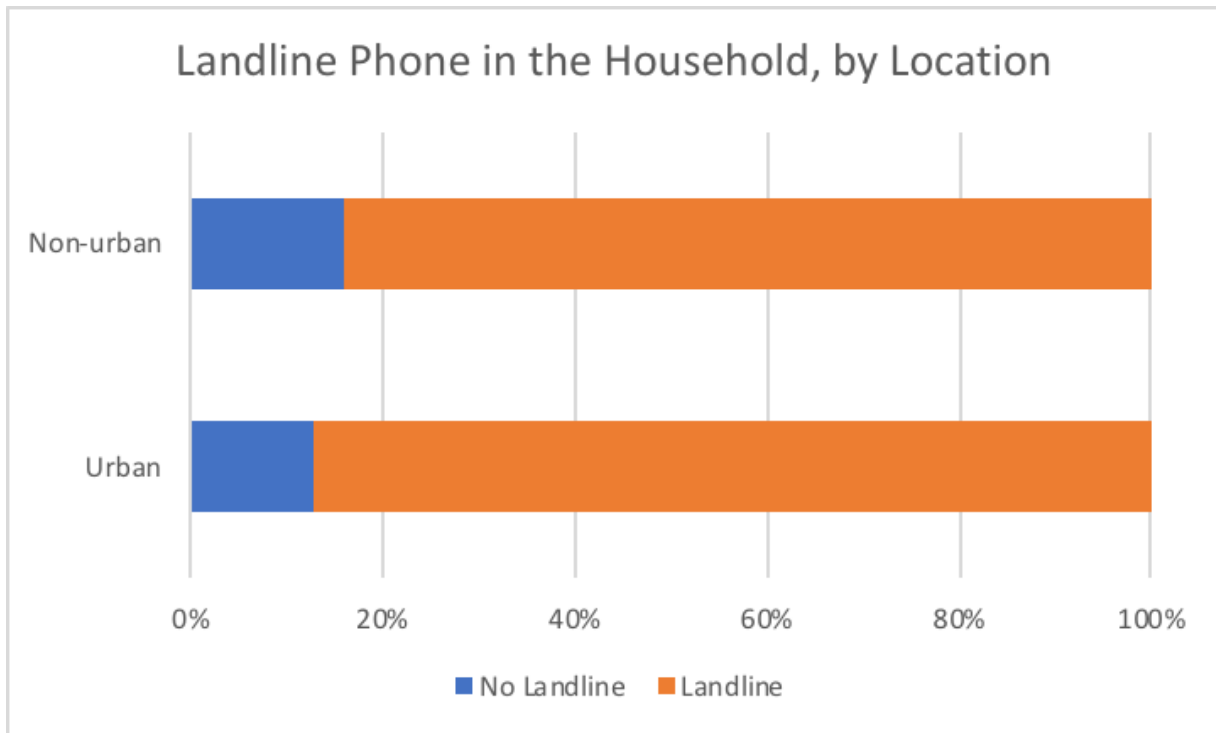
Communications Monitoring Report, Figure 1.2), landline adoption rates remain very high among older Canadians (above 84% in the sample overall).

Figure 8: Mobile Phone in the Household, by Income



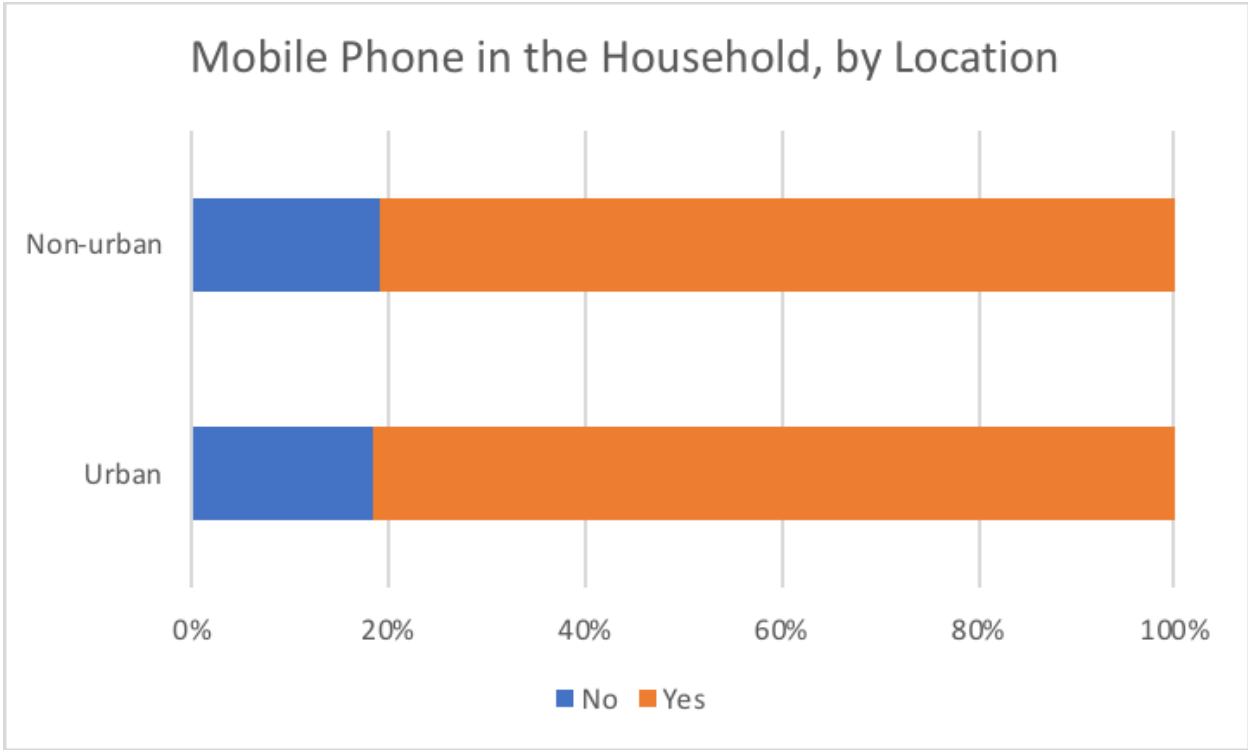
The lowest income seniors are the least likely to have mobile phones in their households. However, even in the lowest income group, almost three-quarters of these older Canadians do have a mobile phone, suggesting there is high demand for mobile services.

Figure 9: Landline Phone in the Household, by Location



A higher percentage of urban respondents reported having a landline phone at home as opposed to their rural counterparts. This is an interesting point of analysis and merits further research into whether rural respondents are being adequately served by their telecommunications providers.

Figure 10: Mobile Phone in the Household, by Location



Urban respondents were also more likely to report having a mobile phone in their household. This suggests that urban customers have higher levels of both landline and mobile usage.

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