

Halo Communications Limited

Sales and Marketing Code Of Practice for Fixed Lines Telephone Services

1. Introduction and Overview

1.1 Key objectives

- To ensure that **Halo Communications** Limited provides consumers with standards of protection consistent with or better than those provided by the law (see table below);
- To ensure good practice and responsible selling in the marketing of fixed line telephone services, and to help end users understand the service and behaviour to be expected from our sales force and others representing us;
- To provide a clear framework within which the company should be working, providing reassurance to end users and consumer representatives as to what constitutes good practice in the sales and marketing of fixed line telephone services.

1.2 The focus of this **Code** of Practice is the sales and marketing of fixed line telephone services to business, and occasionally, residential customers, dealing primarily with issues arising before, during and at the point of sale, with particular emphasis on the avoidance of mis-selling and misrepresentation, and ensuring customer understanding of the services offered.

1.3 Procedures are in place for sales and marketing managers and staff, dealers, resellers and call centre agents, to be informed of the **Code** and its content, and for monitoring their compliance with it.

1.4 Procedures are in place for customers and advice agencies to be made aware of the **Code** and its contents through the company's web site and marketing literature.

1.5 The Managing Director (below) of the company is tasked with ensuring that all sales personnel offering **Halo** products to end users comply with the requirements of the **Code**.

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2. Status of code

2.1 The **Code** is mandatory for two years commencing 25 May 2005 for all internal personnel and external companies engaged in sales and marketing activity on **Halo's** behalf in relation to fixed line and/or mobile telephone services to business and residential customers.

2.2 Compliance with this **code** does not guarantee compliance with any legal requirement.

2.3 Non-compliance with this **Code** does not affect the validity of any contract between the company and the consumer, unless otherwise provided by law.

3. Sales, marketing, advertising and promotion

3.1 Customer approaches may occur in a wide range of ways e.g. by TV, radio or press advertising, promotions at events, post, fax, electronic mail, telesales or in person. Regardless of the way in which sales and marketing activities are conducted, the Company will act responsibly and within the provisions of the **Code**.

3.2 Customers' wishes will be respected where they have registered with any relevant preference service, including the Mailing Preference Service, the Telephone Preference Service (TPS), the Fax Preference Service and the E-mail Preference Service.

3.3 Advertising and promotion will comply with the British Codes of Advertising and Sales Promotion. In addition, advertising and promotional literature will be clear, unambiguous, accurate and fair, containing no false or misleading information about price, value or service and, in particular, will not denigrate other companies or under any circumstances whatever pass **Halo** off as any other entity.

4. Recruitment and sales training.

4.1 Appropriate procedures are in place for the selection of staff and outsourced companies involved with direct contact with customers for the purposes of sales and marketing activity on behalf of **Halo**.

4.2 Companies are contractually required to be responsible for ensuring that sub-contractors (third party agencies) also set up equivalent selection procedures.

4.3 Whilst operating within current employment legislation, recruitment of sales staff will have regard to:

4.3.1 behaviour and appearance, recognising that the sales person may be seen as the 'public face' of the company and the industry;

4.3.2 security – references and relevant convictions for criminal offences to be checked and taken into account where appropriate;

4.3.3 evidence of mis-selling or lack of integrity in any previous selling employment;

4.3.4 the applicant must provide proof of NI number, photographic proof of I.D. and two references;

4.3.5 referees cannot be related to the applicant;

4.3.6 business referees must not both be from the same company;

4.3.7 if a sales person transfers to another company, a copy of his or her records will be retained for a minimum period of three years;

4.3.8 the identification badges of staff leaving the Company must be returned.

4.4 Directors and Managers have taken reasonable steps to ensure that every such person is trained so as to have a sufficient understanding that any relevant advice given by such person is not misleading. Topics covered include:

4.4.1 arrangements for competition in the supply of telecommunications in the UK;

4.4.2 the different options provided by the **Halo** and how these differ from other competitive telecoms products (which may or may not be offered by another company); for example, Carrier-Pre Selection, Wholesale Access and Indirect Access;

4.4.3 the process for ordering the telephone service;

4.4.4 the relevant principles of consumer protection law;

4.4.5 the prices charged by the employing company and its other terms and conditions of service and, in particular, methods of payment, duration of contract and any termination fees; 4.4.6 the nature, and cost, of any additional services on offer;

4.4.7 the process for cancelling the contract both during the cooling-off period (for residential lines) and at any time following commencement of the service; and

4.4.8 the existence of this sales and marketing **code** of practice and the benefits provided.

4.5 Responsibility for **code** compliance by representatives, and any sales agency acting on their behalf, rests with the company. The person responsible for handling complaints relevant to the **code** is given at clause 1.5.

4.6 The company will actively discourage misleading or exploitative sales practices. The company, via its Sales and Marketing team, will keep a central register of incentive schemes used by any agencies it employs for sales and marketing.

5. Customer Contact

5.1 Discretion will be used when visiting consumers' homes, particularly during the hours of darkness. No face to face contact to be made outside the hours of 08.00 to 20.00, and no telephone calls to be made outside the hours of 08.00 to 21.00, unless at the customer's request.

5.2 Representatives involved in face-to-face sales and marketing will be issued with identity badges that clearly display the name of the company they represent and a unique identification number for that representative. The identity badge will also display the representative's name, photograph and expiry date for validity of the card. The information on the card will be presented in such a way that does not require close examination, and the font used will be in 14 point.

5.3 All representatives will immediately identify themselves, the company and the purpose of the call and the expected call duration. If visiting or meeting in person, they shall draw the customers' attention to their identity card.

5.4 Reasonable steps will be taken to keep informed of local authority initiatives, password schemes etc, such as the Local Distraction Burglary Initiative.

5.5 All representatives will be courteous, use appropriate language and offer clear and straightforward explanations. They will not, under any circumstances, misrepresent the service being offered. All information will be factual and accurate. Representatives will check that customers entering into contracts understand and agree to them.

5.6 Representatives will cease contact with any person who indicates that the contact is inconvenient, unwelcome, inappropriate or too long. If the customer requests it, the discussion will be ended immediately and, if making a doorstep call, the premises will be left immediately.

5.7 Representatives shall not to abuse the trust of vulnerable customers e.g. those who are elderly or whose first language is not English, or who have special needs. It is the policy of the company that such customers will be treated sensitively, and will not pursue sales presentations to customers whom they believe may be vulnerable unless they are in the company of a friend or relative and wish the presentation to continue.

5.8 Where there is sheltered housing, contact will be made with the warden or other person in authority before any approach is made to the customer.

5.9 No sales or marketing activity will be conducted that is directed to those who it is suspected or known are under the legal age for entering into contracts.

5.10 Marketing campaign records will be maintained for six months, including the date and the approximate time of the contact with the customer. Records to be such as to allow subsequent identification of the salesperson(s) involved and to assist in dealing with any complaint or query.

6 Entering into a contract - information, order forms and contracts

6.1 It is essential that steps be taken to ensure that the person entering into a contract is authorised to enter into the contract for the fixed line telephone services/bills at the premises and all **Halo** sales personnel and representatives are charged with this process.

6.2 Order forms and contract forms are designed such that the contractual nature of the document is clear to the customer.

6.3 Where a face-to-face approach to the customer takes place the customer is given the information set out in this paragraph, in writing, in a clear and comprehensible manner:

6.3.1 essential information including the identity of the company, its address, telephone, fax and e-mail contact details;

6.3.2 a description of the telephone service that will enable the customer to understand the option that they have chosen, and how it works;

6.3.3 information about the major elements of the service, including the cost of any standing charges, the payment terms, line rental, key call types and details of "protected or special support" arrangements;

6.3.4 the arrangements for provision of the service, including the order process and, as accurately as possible, the likely date of provision. Where there may be significant delay in the likely date of provision, the customer will be informed;

6.3.5 the existence of any right of cancellation and the process for exercising it;

6.3.6 the period for which the charges remain valid; and

6.3.7 the minimum period of contract, and minimum contract charges, if any.

6.4 Customers will be made aware of the existence of this **code** through the first contact 'welcome' letter, and the company's web site.

6.5 At the customer's request, full written information about tariffs will be made available.

6.6 If a customer signs an order form following face to face contact, or enters into a written contract, they will be given a copy of the order form or contract, as well as the following details in writing either at the same time or within 5 working days, unless previously supplied in writing prior to contract:

6.6.1 information about any after-sales services or guarantees; and

6.6.2 arrangements for the termination of the contract. (This is in order to minimise cases where order forms are misrepresented as confirmations of the sales person's visit). This is likely to be an offence under the Trades Descriptions Acts.

6.7 Orders placed by distance selling means to comply with Distance Selling Regulations, which are set out in the table below.

6.8 In the case of internet orders, a well sign-posted hyperlink to this information which is easily visible to the web site visitor will be prominently displayed with the information being capable of being easily downloaded and printed.

6.9 Customers are permitted to cancel orders and terminate contracts in writing, by fax or by e-mail.

6.10 **Halo** will send a mandatory letter to the customer by first class mail within five working days of a contract being agreed informing the customer of the details of the transfer, and the following will be clearly communicated:

6.10.1 date of notification;

6.10.2 CLI(s) affected;

6.10.3 list of services affected/unaffected;

6.10.4 if relevant, information about IA call barring;

6.10.5 date of switchover;

6.10.6 the sender's contacts details for any queries.

6.10.7 direct debit guarantee arrangements

6.11 The notification will be by letter although may be sent electronically where consumers have initiated contact by applying online, and have confirmed online that they wish all future correspondence to be sent electronically. Otherwise customers would need to positively request by written correspondence that information be sent electronically.

6.12 In the case of residential lines, the individual processing the contract/order should ensure that the orders they submit do not mature until the statutory cooling-off period has been met.

7. Consumer protection and other legal requirements

7.1 The table given below sets out current legislation applicable to our products. **Halo** is committed to full compliance of the relevant regulations.

8. Audit of contracts

8.1 Procedures have been developed to minimise the risk of errors or mis-selling when taking orders/making contracts during face-to-face or telephone selling. Representatives will verify that customers entering into contracts understand and intend them. **Halo's** audit team will carry out regular audits of systems, procedures and documentation.

8.2 In all cases, customers will be contacted - not more than five working days of a contract being agreed – in order to confirm that the customer understands that they have entered into an agreement, are happy to proceed with the agreement and are content with the way in which the sales and marketing activity was conducted.

8.3 Audit contact may either be as part of the mandatory customer 'notification of transfer' letter referred to in paragraph 6.10 above or through a separate process. Audit contact will always be made by a person not involved with the company's sales and marketing activities.

8.4 If it is found after investigation of the sale recording that the contract was not understood or intended, or, in the case of residential lines, if the order matured before the expiry of the cooling off period, and the customer wishes to cancel, **Halo Communications** will terminate the contract without cancellation charge or other penalty to the customer. The company will keep under review the procedures by which contracts are agreed and will take appropriate steps to prevent recurrence of any problem identified from the audit process.

9. Customer complaints procedure

9.1 **Halo's** internal procedures for handling customer complaints also includes those relating to sales and marketing activities. We ensure that all staff and representatives who deal directly with customers are made aware of this procedure, and that they should inform customers of the existence of their complaints procedure if required.

9.2 The complaints handling 1 procedure sets out how customers may complain about the company's sales and marketing or any other activity and what further steps are available if they believe their complaint has not been dealt with satisfactorily.

9.3 A customer with a sales and marketing complaint, in the first instance, will be advised that their complaint will be the subject of an internal investigation. If the complaint is not able to be resolved to the customer's satisfaction, we will advise the customer that they may proceed to independent arbitration in the form of the Telecoms Ombudsman (Otelco), which will have the power to award compensation to the customer if the Company is found to be at fault.

9.4 **Halo** will liaise regularly with OFCOM and other relevant consumer groups to monitor the number and nature of complaints under its **code**.

10. Distributing the code: creating awareness

10.1 The **code** is available to customers on request, free of charge and in a reasonable range of formats.

1 See Appendix A

Legislation of particular relevance to Sales and Marketing of telephony products

Particular attention is drawn to the following regulations, in addition to all other appropriate consumer protection law and advertising Codes of Practice:

The Unfair Terms in Consumer Contracts Regulations 1999 SI 1999 No 2083

- introduces controls over unfair standard terms in contracts with consumers
- requires written contracts with consumers to be in plain, intelligible language

The Consumer Protection (Cancellation of Contracts Concluded away from Business Premises) Regulations 1987 SI 1987 No 2117

- requires that written notice of cancellation rights (min 7 days) in prescribed form is given to consumers entering into contracts at their homes or in other places (e.g. shopping precincts)

The Consumer Protection (Distance Selling) Regulations 2000 SI 2000 No 2334

- requires extensive information to consumers before and after consumers enter into contracts using channels of marketing such as direct response press or TV adverts, telemarketing, mail order, etc.
- requires cancellation rights (min 7 working days) to be given to residential consumers, starting from the date of delivery of prescribed information
- provides that making demands for payment for services not ordered by consumer is a criminal offence

Telecommunications (Open Network Provision) (Voice Telephony) Regulations 1998 SI 1998 No. 1580 extensive requirements for system-less resellers and operators of systems licensed by DTI to

- offer written contracts to consumers complying with the regulations;
- to publish their terms and conditions and tariffs by placing copies in every major office for public inspection during prescribed hours

Misleading Advertising Regulations

Consumer Protection Act 1987 (Part III)

Consumer protection legislation

Civil responsibilities

- Misrepresentation Act 1967
- Unfair Contract Terms 1977
- Sales of Goods Act
- Supply of Goods and Services Act 1982
- Consumer Protection 1987
- Sale and Supply of Goods Act 1994
- Control of Misleading Advertising Regulations 1988
- Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 (amended in 1998)
- Unfair Terms in Consumer Contracts Regulation

Criminal liabilities

- Trade Descriptions Acts 1968
- Administration of Justice Act 1970
- Fair Trading Act 1973
- Price Act 1974
- Consumer Protection Act 1987 (Parts II, III, IV and V)
- Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 (amended in 1998)
- Consumer Protection (Distance Selling) Regulations 2000

Appendix A

Halo Communications Limited Complaint Handling Procedure

How to Complain About Your Telephony Service from Halo Communications.

If you have a complaint about any aspect of the service provided by **Halo Communications**, we want to know. If you don't tell us, we cannot put things right. In the event you consider a complaint about your service is necessary, what should you do first?

- Call our Customer Services Team on 01563 558844
- Or write to:

Halo Communications Limited
Unit 5 Block 5
Moorfield Industrial Estate
Kilmarnock, Ayrshire, KA2 0DP

It would be helpful to keep a proper record of your complaint that lists:

- The date and time you spoke to a **Halo** representative;
- who you spoke to; and
- what they said or promised to do.

You should also:

- Ask our customer service advisor when you can expect your complaint to be answered or resolved (or both);
- keep copies of all correspondence; and
- check your terms and conditions of service to ensure that your complaint is a valid one.

What if you don't get the answer you want?

- If you feel you have been dealt with poorly or unreasonably, you can ask for your complaint to go to a higher level. Ask to speak to the Customer Service Team Leader who will escalate the matter internally.
- If you are still dissatisfied, and you feel that your complaint has reached a stage of deadlock, you can if you wish, contact the independent Dispute Resolution Service that **Halo** subscribes to. The **Office of the Telecommunications Ombudsman (OTELO)** will, if they decide to accept your case, fully investigate the circumstances and may make an award of compensation if they feel we have acted wrongly.

- OTELO can be contacted by writing to the following address:

Otelo
PO Box 730
Warrington
WA4 6WV
Telephone: 0845 050 1614

Other Sources of Assistance

Telecommunications in the UK is regulated by **Ofcom**, a government funded department. Regulatory issues are decided by them and they may be able to answer any query you have in this area.

How can Ofcom help you?

- Their skilled teams can handle your complaint or enquiry by phone, fax, letter, e-mail or textphone.
- Ofcom may not have the powers to decide who is right or wrong, or to direct **Halo Communications** Ltd to take a particular course of action, but they will try to help you and us to reach a solution that suits both sides. If they have legal powers to act, they may use them.
- They cannot award compensation to consumers. Ofcom's website www.ofcom.org.uk has lots of information on complaints and includes answers to frequently asked questions.

• Phone: 0845 456 3000 or 020 7981 3040

Please note that calls to the Contact Centre may be monitored or recorded

- Email: contact@ofcom.org.uk
- Fax: 0845 456 3333
- Post:

Ofcom Contact Centre
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Premium Rate Services

If your complaint relates to premium-rate services, the premium-rate regulator ICSTIS may be able to sort out your complaint www.icstis.org.uk.