



Commission for
Communications Regulation

Opinion of non-compliance issued to Eircom Limited with respect to its conditions and procedures for contract termination

Information Notice

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An Coimisiún um Rialáil Cumarsáide

Commission for Communications Regulation

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1. On 25 April 2012, the Commission for Communications Regulation (“ComReg”) notified Eircom Limited in Examination (under the Companies(Amendment) Act 1990) (“Eircom”) with a finding that, with respect to contracts outside any minimum contractual period, it had not complied with Regulation 25(6)(b) of the Universal Service Regulations¹ having:
 - a. failed to ensure that its conditions and procedures for contract termination do not act as a disincentive to a consumer to changing service provider.
 - b. pursuant to clause 4.1² of Eircom’s contract entitled Terms and Conditions for Telephone Service, since 1 July 2011 (and to date) applied a charge to consumers outside of the minimum contract period, who had switched service provider and had not provided one month’s prior notice in writing requesting termination of the telephone service contract.
2. Regulation 25(6)(b) of the Universal Service Regulations provides that:

“Without prejudice to any minimum contractual period the undertaking shall ensure that conditions and procedures for contract termination do not act as a disincentive to a consumer to changing service provider.”

On 29 November 2013, ComReg notified Eircom that it had amended the original notification of non-compliance in accordance with Regulation 31(4) of the Universal Service Regulations.
3. The amended notification of non-compliance notified Eircom of a finding that it has not complied with its obligation set out at Regulation 25(6)(b) of the Universal Service Regulations as it has failed to ensure that its conditions and procedures for contract termination do not act as a disincentive to a consumer to changing service provider.
4. The conditions and procedures for contract termination that, individually and cumulatively, act as a disincentive to a consumer changing service provider are as follows:
 - i. The requirement to provide one month’s written notification;
 - ii. The required contact with the Eircom “Save” team that is embedded within the contract termination conditions and procedures;

¹ European Communities (Electronic Communications Networks and Services) (Universal Service and Users’ Rights) Regulations 2011 (S.I. No. 337 of 2011)

² Now clause 5.1.

- iii. The complex contract termination procedures that a consumer is required to go through;
 - iv. The complex contract termination conditions that lack transparency and predictability that a consumer is required to comply with;
 - v. The risk that a consumer could suffer a service break through the switching process; and
 - vi. The termination charges, in lieu of notice, that are applied by Eircom. Also, the disaggregated bundle charges that are applied by Eircom, irrespective of whether the consumer has given the stipulated written notice.
5. Eircom was given an appropriate period within which to state its views.
6. Eircom responded to the Amended Notification. Having considered Eircom's response, ComReg has formed the opinion that Eircom has not complied with its obligation set out at Regulation 25(6)(b) of the Universal Service Regulations as it has failed to ensure that its conditions and procedures for contract termination do not act as a disincentive to a consumer to changing service provider.
7. Having formed this opinion, ComReg is entitled to take appropriate steps pursuant to Regulation 31(5) of the Universal Service Regulations and has notified Eircom that it has 21 days to come into compliance.