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Better Telecom Companies For All

Submission to CRTC's Report regarding the retail sales practices of Canada's large telecommunications carriers

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I. Background

Democracy Watch has been a leading advocacy organization in Canada for consumer protection measures since 1994. It organized and led the Canadian Community Reinvestment Coalition (CCRC) from 1997 to 2012 – the CCRC was made up of 140 citizen organizations with a total membership of 3.5 million Canadians. Several of the changes to the *Bank Act*, *Insurance Companies Act* and *Trust Companies Act* that the CCRC recommended were supported by the MacKay Task Force's 1998 report (the Task Force was established by then-Finance Minister Paul Martin), and the House of Commons Finance Committee, the special Liberal Caucus Committee, and the Senate Trade and Banking Committee, all of which reviewed the MacKay Task Force report.

From 2000 to 2002, the Liberal government implemented many of the changes the committees recommended but failed to enact some of the key changes, especially the creation of a national [Financial Consumer Organization \(FCO\) or Financial Consumer Protection Fund](#) with financial consumers as members and donors, which would represent and assist financial consumers with problems with their financial institutions, and with consumer education and advocacy.

As noted below in section IV, in 1998 the government-created the Task Force on the Future of the Canadian Financial Services Sector recommended that the government create an FCO and require federally regulated financial institutions to enclose a pamphlet in mailings to their customers inviting them to join the FCO. The House of Commons Finance Committee, and the Senate Banking Committee, both endorsed the Task Force's recommendation in their December 1998 reports.

Instead of implementing the broadly supported recommendation to create an FCO, Finance Minister Paul Martin instead created the Financial Consumer Agency of Canada (FCAC) and the Ombudsman for Banking Services and Investment (OBSI). Both have essentially failed to protect consumers – mainly because the federal government has failed to give both the powers, mandate and requirements to ensure they can, and actually do, work to protect consumers and businesses and penalize financial institutions that violate fundamental consumer rights and legal protections in ways that actually discourage violations.

Many of the groups in the CCRC continue to support Democracy Watch's efforts to have key changes made by the federal government, especially the creation of the FCO and/or Fund. As well, the [more than 32,000 Canadians who have signed the Stop Bank Gouging and Abuse petition](#) support the creation of an FCO, and other much-needed key changes.

As the CBC has revealed, the situation with telecom customers is essentially as bad as for financial consumers. Complaints about telecom companies have been going up significantly in the past couple of years ([click here](#) to see the CBC article, and to see another article [click here](#)).

So the key question of this CRTC process is:

Will the CRTC and Liberal government finally make key changes to stop gouging and abuse of 25 million telecom customers, or will it continue protecting overpaid telecom executives and their unaccountable oligopoly as past federal governments have?

II. The changes needed to actually ensure fair and good service at fair prices

The failures of the CRTC and the federal government over past several years, in both weak enforcement acts and the failure to make changes to federal telecom laws years ago to stop gouging and abuse of telecom consumers across Canada, have proven beyond any doubt that further changes are needed to ensure Canada's telecom companies serve everyone fairly and well at fair prices.

Democracy Watch, the 31-member group, nation-wide [Corporate Responsibility Coalition](#), and [the more than 5,000 Canadians who have sent a letter to federal political party leaders calling for the creation of the FCO, and a Telecommunications Consumer Organization \(TCO\)](#), using the same method, call on the CRTC to recommend strongly, and to the extent it can, implement the following 3 key changes needed to ensure that our telecom companies (which profit from their use of the public airwaves) serve everyone fairly and well at fair prices:

1. Strongly recommend that the federal government establish a Telecommunications Consumer Organization (TCO) using the very low-cost, very effective method that has been used successfully in the U.S. that is described on the following webpage: <https://democracywatch.ca/questions-and-answers-about-the-proposed-telecommunications-consumer-organization-tco/> so that consumers have an organization they can contact that has the funding and staff needed to help them file complaints and lawsuits, shop around for the best products and service, and make their voice heard in government policy-making processes;
2. Strengthen the rules to ensure that telecommunications companies are prohibited from selling anything to a customer that the customer does not need or want, and;
3. Increase the mandatory minimum fine for any violation so that the cost of violating the rules is more than the profit that any company could possibly make from violating the rules.

Canadians have made it clear in every poll conducted over the past several years that they need, and want, better telecom companies. Please close these gaps by recommending and implementing these key changes to federal telecom laws to ensure that all telecom companies in Canada serve all Canadians fairly and well at fair prices.