

ACORN CANADA'S TELECOM HORROR REPORT

| COMPANY | % CUSTOMER DIS-SATISFACTION | HORROR INDEX |
|---|--------------------------------|--|
|  | 79% |  |
|  | 76% |  |
|  | 74% |  |
|  | 72% |  |
|  | 69% |  |

ACORN CANADA

TABIE OF CONTENTS

- *Executive Summary*
- *ACORN Canada, Digital Access to Opportunities and Policy Recommendations*
- *Methodology*
- *Results*
- *Open Ended Question Summary*

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Executive Summary

ACORN Canada surveyed our members across the country regarding their internet and cell phone service, and experiences with telecom companies in Canada. 284 people responded.

Cell and Internet Companies: Scariest Companies

| Cell Internet Company | Number Extremely dissatisfied | Number Somewhat dissatisfied | Number Somewhat satisfied | Number Extremely satisfied | Total | Total Dissatisfied (Extremely + Somewhat) | % Dissatisfied |
|-----------------------------|-------------------------------------|------------------------------------|---------------------------------|----------------------------------|-------|---|-------------------|
| Bell | 77 | 58 | 27 | 8 | 170 | 135 | 79% |
| Rogers | 92 | 48 | 37 | 8 | 185 | 140 | 76% |
| Eastlink | 5 | 9 | 2 | 3 | 19 | 14 | 74% |
| Fido | 22 | 22 | 15 | 2 | 61 | 44 | 72% |
| Telus | 35 | 29 | 18 | 11 | 93 | 64 | 69% |

Some Results

55% of respondents reported they were **dissatisfied** overall with their cell and internet companies

56% of respondents reported **mistakes** on their bills, resulting in extra charges.

36% of respondents reported the amount of their monthly bill being **\$100** more than expected.

54% of respondents **reported difficulties** changing their contract.

Harper's Consumer Agenda Put's Low Income People Last

The new CRTC's wireless code of conduct that comes into effect on December 2nd completely misses the reality that low-income families can barely afford to participate in the digital world. The government should not be legitimizing an expensive access point; they need to lower the bar to remove a barrier to participation. According to a Statistics Canada survey, 54% of households in the lowest quartile of \$30,000 or less do not have home Internet access. This "digital divide" excludes low-income individuals and families from what the United Nations now considers to be a human right, comparable with freedom of speech. The issue is not just internet access but digital literacy, the skills and know-how that come with exposure to the web, which are increasingly crucial for gainful employment as well as academic success; this has become a public policy obligation.

ACORN Members Demand - Policy Recommendation:

ACORN Canada is demanding a program of \$10/month high speed internet for families below the Low Income Measure (LIM), plus subsidized computers.

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ACORN Canada and Digital Access to Opportunities

What is ACORN

ACORN Canada is an independent national organization of low and moderate-income families with 51,000+ members in 20+ neighbourhood chapters across 7 cities. We believe that social and economic justice can best be achieved with a national active membership who are invested in their organization and focused on building power for change! We are a multi-issue organization focusing on campaigns like Healthy Homes, Raising the Minimum Wage, Remittance Justice, and more.

Digital Access to Opportunities Campaign

In the age of information, access to the internet has become essential. Finding employment, succeeding in school as early as primary all the way to post-secondary, and involvement in democratic processes in Canada, have all become activities that require internet access. Indeed, the internet has revolutionized education, business and politics. Further, the government often refers people to their online forms for applying to government programs.

As we can see from this data, however, accessing internet and mobile services is more often an exercise in frustration and hardship for many Canadians. A 2010 Harvard report on global internet deployment and usage found that Canada has some of the most expensive and slowest internet in the developed world. In addition, a 2010 Statistics Canada survey found that 97% of households in the top income quartile of \$87,000 or more had home Internet access, compared with as little as 54% of households in the lowest quartile of \$30,000 or less. This “digital divide” excludes low-income individuals and families from what the United Nations now considers to be a human right, comparable with freedom of speech.

Far from an easily accessible right, we can see that Canadians who do have internet access are finding it to be a huge and unpredictable strain on their finances. Low-income families should not have to suffer stress and hardship in order to access the internet in their homes.

The issue is not just internet access but digital literacy; the skills and know-how that come with exposure to the web, which are increasingly crucial for gainful employment as well as academic success. As the Canadian school system in particular becomes more and more web-centric, inclusion of all children becomes a public policy obligation.

Policy Recommendations

ACORN members are demanding that the CRTC regulate the telecom industry so that people below the Low Income Measure (LIM) can access \$10/month high speed internet and subsidized computers.

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Rogers has indicated they are launching a pilot. Results have yet to be verified.

Context of Survey

Although there have been other studies and surveys done on consumers and the telecom industry, that have concluded similar findings¹. ACORN Canada as a membership based organization of low and moderate income families brings a new dimension into the larger policy debate. A policy discussion that is often neglected is the inclusion of low income voices. As a result, this survey seeks to make the policy debate inclusive.

Harpers' Consumer First Agenda Puts Low Income Families Last.

ACORN Members are also HORRIFIED that about the gross oversight on protecting low-income consumers with the telecommunication industry. High speed internet is an essential service for all Canadians. Bell, Telus, and Rogers need to deliver high speed internet for \$10/month + subsidized computers to all families below the Low Income Cut Off. TODAY! Even Industry Canada recognizes that "where ever you live in Canada, **High speed connectivity is critical to personal, business and community success.**"

The new CRTC's wireless code of conduct that comes into effect on December 2nd creates some needed protections like caps and disclosure, but it doesn't go far enough. One example is that "A service provider must suspend data overage charges once they reach \$50 within a single monthly billing cycle." \$50 is a significant amount of money to a low-income family. Why would they not allow the customer to set what the cap should be? The code needs to go further and nullify contracts when billing errors occur and ensure that billing errors are easily rectified; and simplify the language of the contracts. Further, switching companies does not cancel billing errors and the problems associated with collections that follow.

Further, none of this actually gets at the digital divide and the fact that low-income families can barely afford to participate in the digital world. The government should not be legitimizing this expensive access point; they need to lower the bar on participation.

When the government outlined conditions around the spectrum auction in January they missed this glaringly obvious group of consumers. If the government wants to put consumer first they need to implement conditions which protect low income families when they auction the spectrum in January. They have set strong rural deployment conditions but are neglecting low-income consumers!

The government needs to take this consumer agenda seriously and help put low-income families on the right side of digital divide.

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Methodology

ACORN Canada surveyed our members across the country regarding their internet and cell phone service, and experiences with telecom companies in Canada. The survey was distributed online through multiple social media channels, and recipients were encouraged to share the link through their networks. 284 people responded. 90% of the people who responded did so from multiple emails we sent out to our membership lists. The ACORN Canada membership is made up of low and moderate income families, thus the survey reflects the opinions of a mainly low income demographic.

In one questions we ask people to rate satisfaction of the various cell and internet companies, 801 responses were collected because the majority of respondents had experience with more than one company.

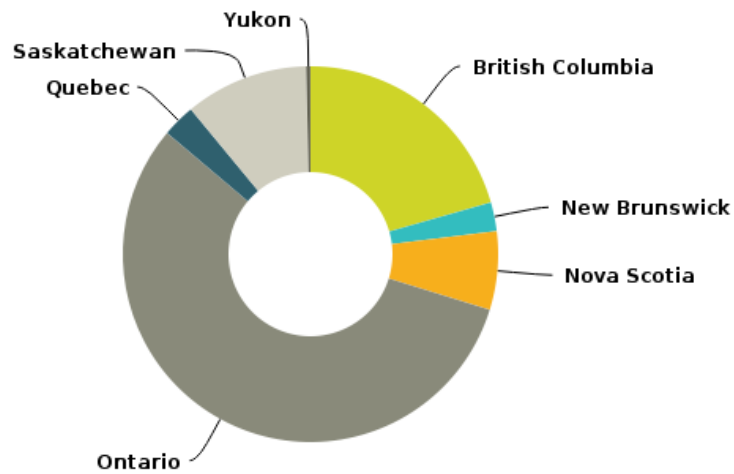
It should be noted that the survey at this point only includes ACORN members who have access to email. Moving forward we plan on releasing the study once we have a significant number of surveys filled out hard copy.

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Results

Q1 What province do you live in?

Answered: 282 Skipped: 2

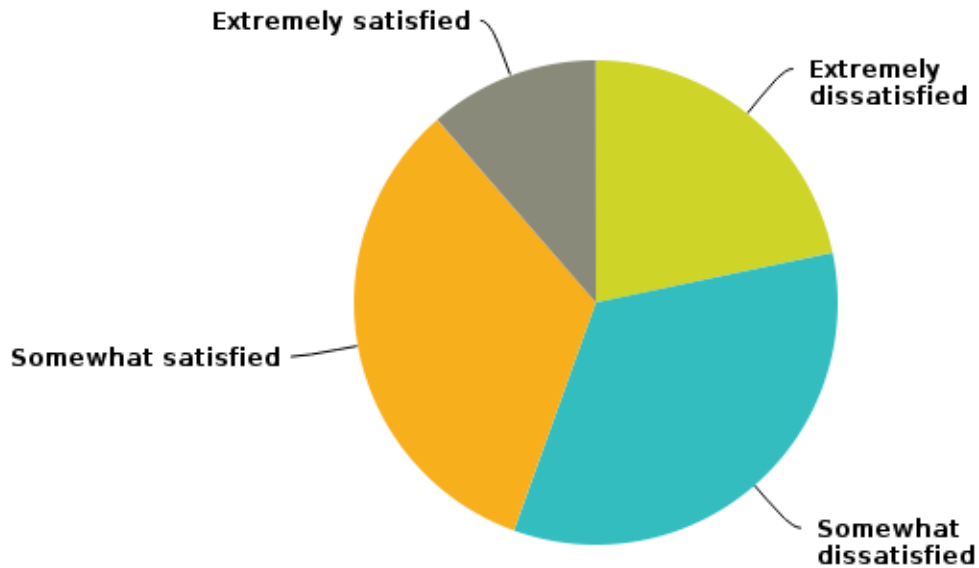


| Province | Respondents | Percentage | Province | Respondents | Percentage |
|------------------|-------------|------------|--------------|-------------|------------|
| British Columbia | 58 | 20.57% | Quebec | 8 | 2.84% |
| New Brunswick | 7 | 2.48% | Saskatchewan | 30 | 10.64% |
| Nova Scotia | 19 | 6.74% | Yukon | 1 | 0.35% |
| Ontario | 159 | 56.38% | | | |

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Q2 Please rank your overall satisfaction and experience with cell and internet companies?

Answered: 281 Skipped: 3



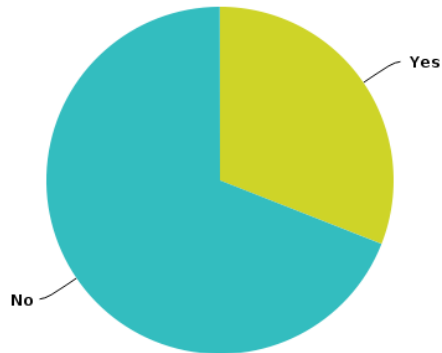
| Answer Choice | Percentage response |
|------------------------|---------------------|
| Extremely satisfied | 11.39% |
| Somewhat satisfied | 33.10% |
| Somewhat dissatisfied | 33.81% |
| Extremely dissatisfied | 21.71% |

In the chart above we can see that the majority of respondents reported some level of dissatisfaction with their telecom company, with 1 in 5 responding that they are “extremely dissatisfied”.

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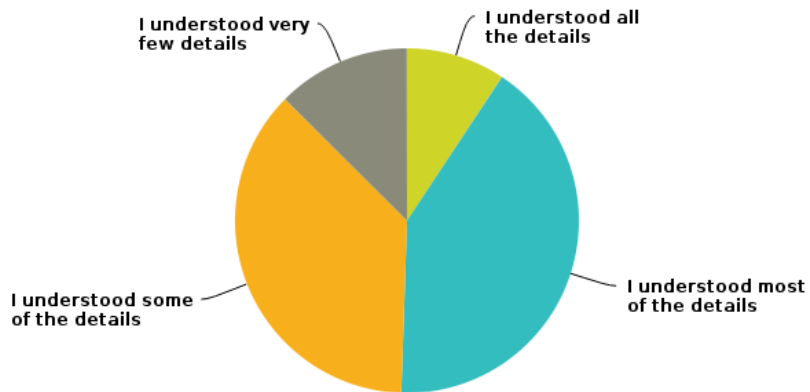
Q3 When you signed your cell/internet contract did you read the entire contract?

Answered: 281 Skipped: 3



Q4 When you signed your cell/internet contract, please select the sentence that best describes your understanding of the details.

Answered: 279 Skipped: 5



| Answer Choice | Percentage response |
|----------------------------------|---------------------|
| I understood all the details | 9.32% |
| I understood most of the details | 41.22% |

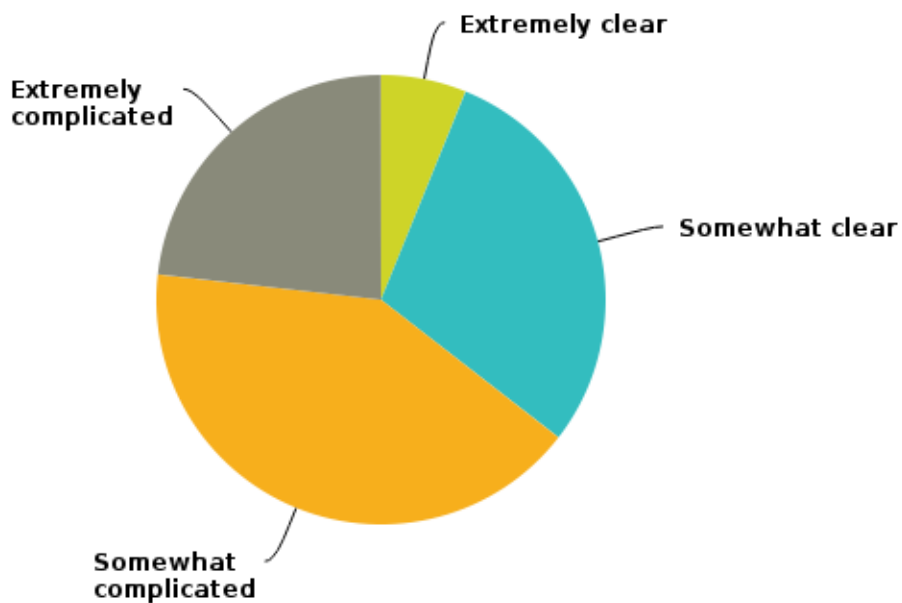
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I understood some of the details 36.92%

I understood very few of the details 12.54%

Q5 How would you describe your contract?

Answered: 276 Skipped: 8



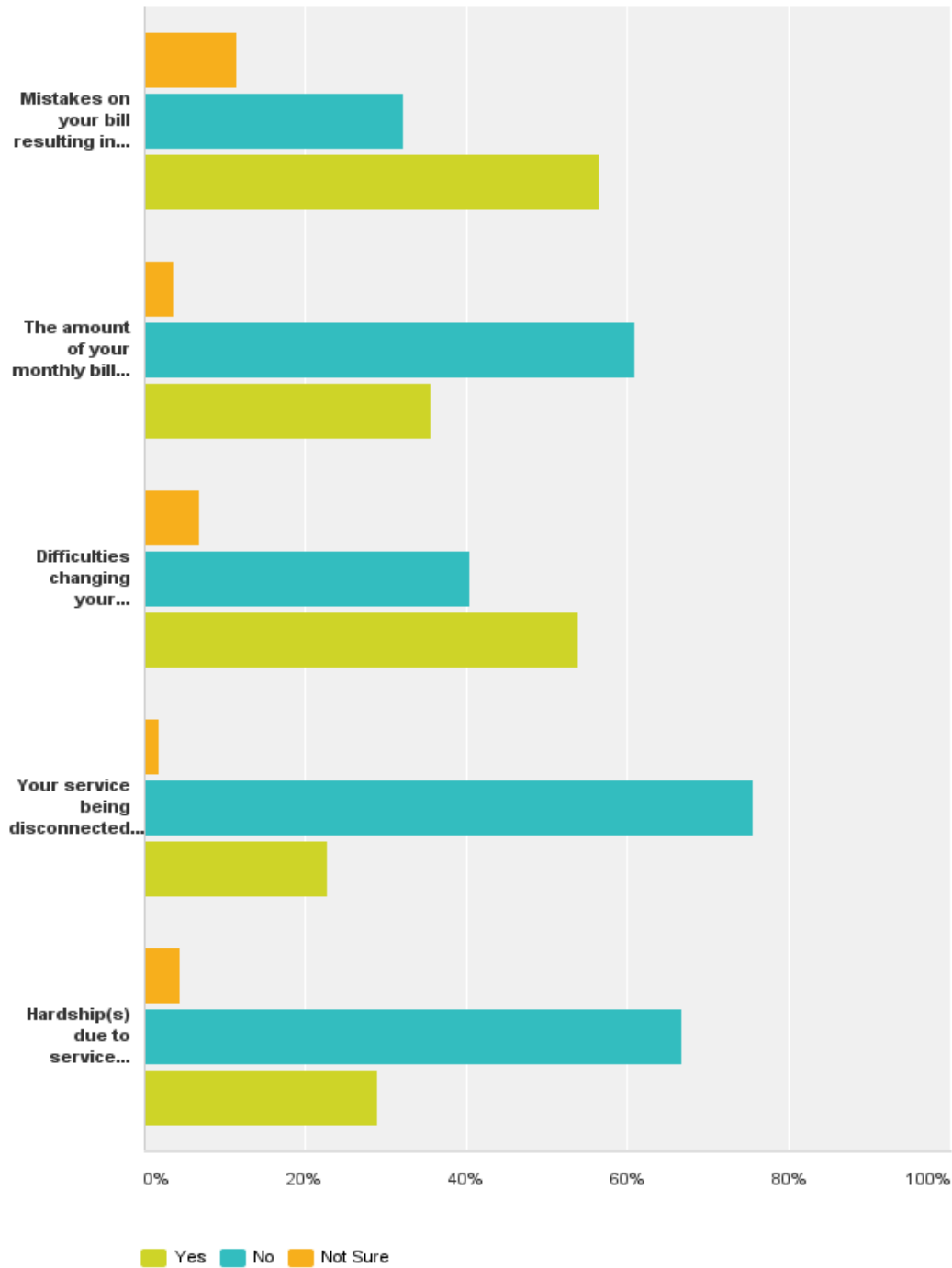
| Answer Choice | Percentage response |
|-----------------------|---------------------|
| Extremely clear | 6.16% |
| Somewhat clear | 29.35% |
| Somewhat complicated | 41.30% |
| Extremely complicated | 23.19% |

Regardless of whether the full contract was read, the majority of customers found the contract to be either “somewhat complicated” or “extremely complicated”.

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Q6 Have you experienced any of the following? (Check all that apply)

Answered: 279 Skipped: 5



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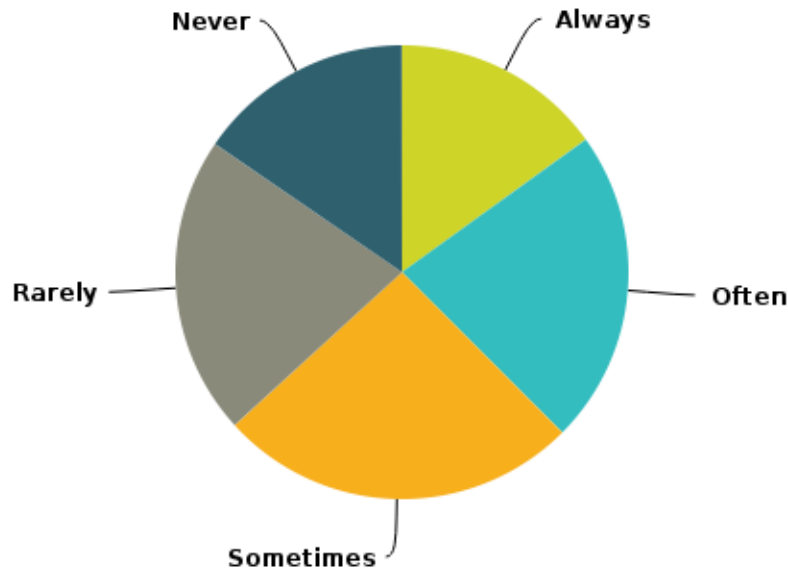
| Answer Choice | Yes | No | Not Sure |
|--|--------|--------|----------|
| Mistakes on your bill resulting in extra charges? | 56.32% | 32.13% | 11.55% |
| The amount of your monthly bill being at least \$100 more than you expected? | 35.64% | 60.73% | 3.64% |
| Difficulties changing your contract? | 53.85% | 40.29% | 6.96% |
| Your service being disconnected for non-payment of a bill? | 22.71% | 75.46% | 1.83% |
| Hardship(s) due to service disconnection? | 28.89% | 66.67% | 4.44% |

Because of the often lengthy and complicated contracts users have to sign to obtain service, there are many barriers to changing services, ensuring charges are consistent, or trying to get a better deal. Respondents detailed frustrating attempts contacting their telecom company only to be told different things by different employees of the same organization. Based on the feedback we received through this survey, it seems Canadians are, in general, very unhappy with their cell and internet providers.

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Q7 How often is your bill amount over the contract amount?

Answered: 272 Skipped: 12



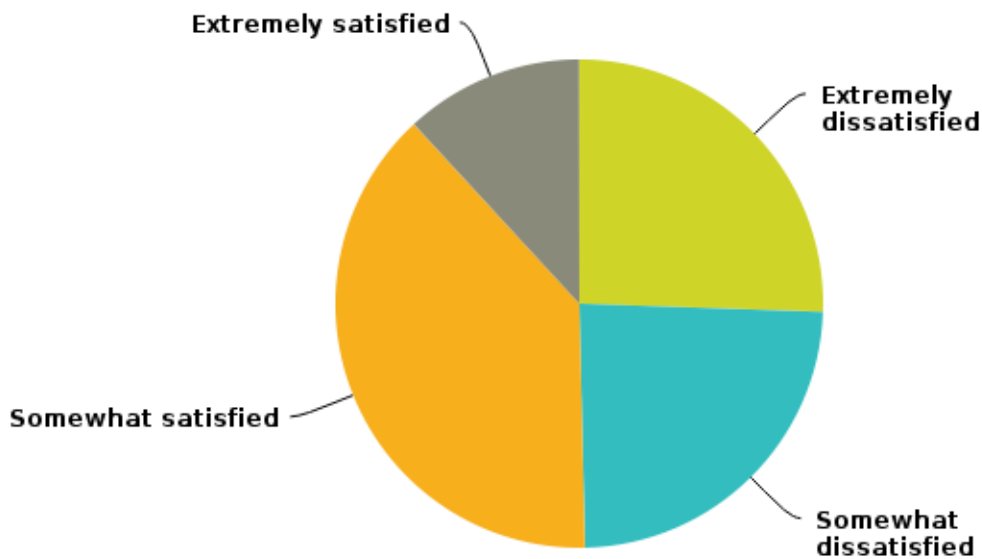
| Answer Choice | Percentage response |
|---------------|---------------------|
| Always | 15.07% |
| Often | 22.43% |
| Sometimes | 25.74% |
| Rarely | 21.32% |
| Never | 15.44% |

Being charged more than the contract amount is a huge problem for those surveyed, with 84% of respondents having experienced it at least once. For low-income families, the added expense is both unpredictable and harrowing.

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Q9 Please rank the effectiveness with which your cell/internet company resolved problems

Answered: 278 Skipped: 6



| Answer Choice | Percentage response |
|------------------------|---------------------|
| Extremely dissatisfied | 25.54% |
| Somewhat dissatisfied | 24.10% |
| Somewhat satisfied | 38.49% |
| Extremely satisfied | 11.87% |

Due to some of the concerns addressed in previous questions – such as bills being over the contract amount, contract terms being unclear, disruption of service, and many other issues – survey respondents often found themselves dealing with the customer service department of their provider. As can be seen in the above chart, almost half of all respondents were dissatisfied to some degree with their company's response to problems.

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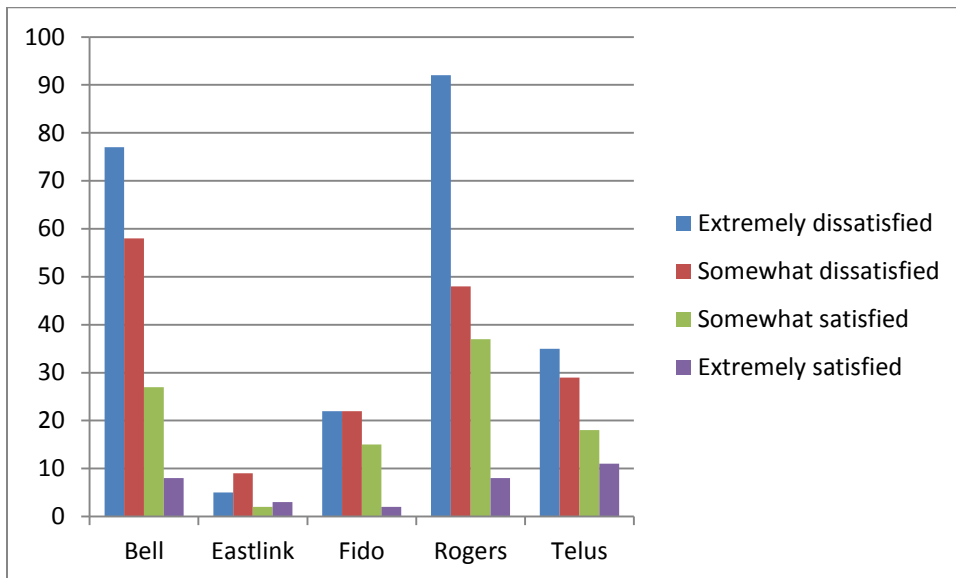
Horror Index

From the survey we were able to collect data on 15 telecom companies, with detailed opinions from survey participants. The companies (in the order they appear on the charts) are: Bell, Eastlink, Fido, Rogers, Telus, Virgin, Shaw, Videotron, Mobilicity, MTS, Koodo, Public, Sasktel, TekSavvy, and Wind.

We broke them into three groups based on the percentage of survey participants with each company that were dissatisfied (extremely dissatisfied + somewhat dissatisfied). We created the HORROR Index.

Cell and Internet Companies: Scariest Companies

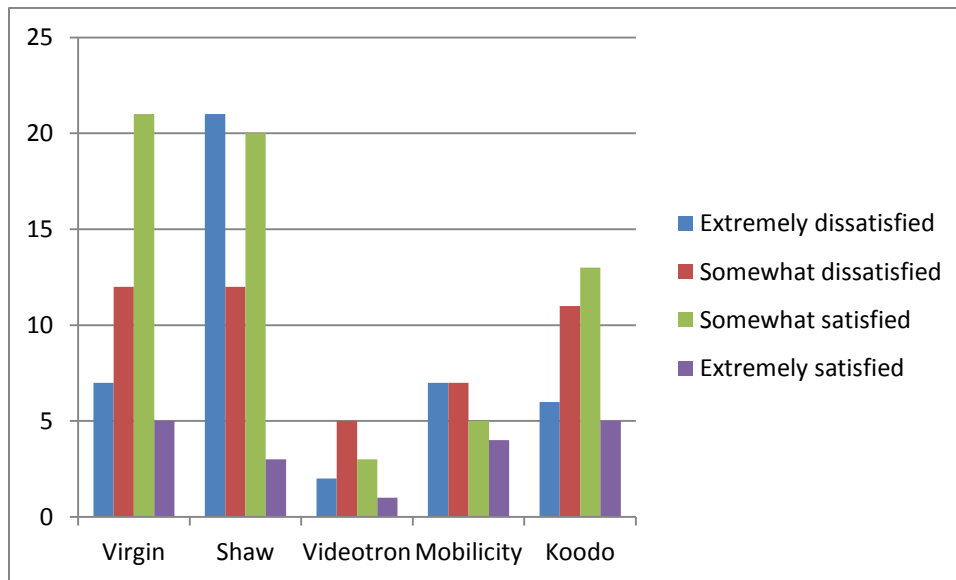
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Cell and Internet Companies: Mildly Frightening Companies

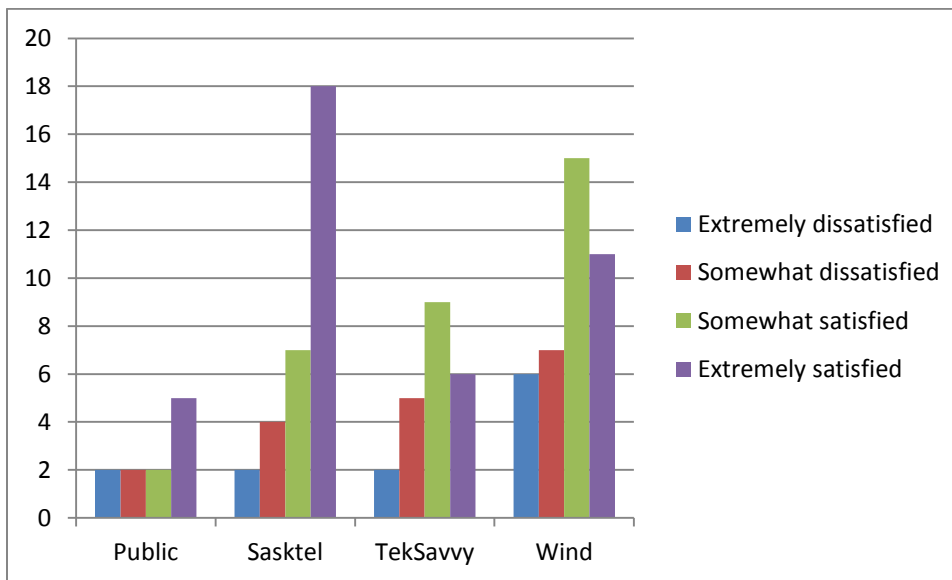
| Cell Internet Company | Number Extremely dissatisfied | Number Somewhat dissatisfied | Number Somewhat satisfied | Number Extremely satisfied | Total | Total Dissatisfied (Extremely + Somewhat) | % Dissatisfied |
|-----------------------------|-------------------------------------|------------------------------------|---------------------------------|----------------------------------|-------|---|-------------------|
| Videotron | 2 | 5 | 3 | 1 | 11 | 7 | 64% |
| Mobility | 7 | 7 | 5 | 4 | 23 | 14 | 61% |
| Shaw | 21 | 12 | 20 | 3 | 56 | 33 | 59% |
| Koodo | 6 | 11 | 13 | 5 | 35 | 17 | 49% |
| Virgin | 7 | 12 | 21 | 5 | 45 | 19 | 42% |



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Cell and Internet Companies: Not that Scary Companies

| Cell Internet Company | Number Extremely dissatisfied | Number Somewhat dissatisfied | Number Somewhat satisfied | Number Extremely satisfied | Total | Total Dissatisfied (Extremely + Somewhat) | % Dissatisfied |
|-----------------------|-------------------------------|------------------------------|---------------------------|----------------------------|-------|---|----------------|
| Public | 2 | 2 | 2 | 5 | 11 | 4 | 36% |
| Wind | 6 | 7 | 15 | 11 | 39 | 13 | 33% |
| TekSavvy | 2 | 5 | 9 | 6 | 22 | 7 | 32% |
| Sasktel | 2 | 4 | 7 | 18 | 31 | 6 | 19% |



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Open Ended Question Summary

In the open-ended questions, 163 of the 284 respondents chose to go into these issues in more detail. Many wrote about the hardships they had faced, either due to service disconnection or difficulty changing or cancelling contracts. Common themes include time wasted on the phone with customer service, being misled about the content of contracts, and being charged exorbitant rates. These are just some of the anecdotal examples of financial, emotional and temporal costs of dealing with inconsistent and overpriced service:

"...but my bill is always more than I can pay because they keep over charging me all the time with the late fees on the current bills every month."

"I was called and offered a change in plan that would allow me to save money. The rep even checked my usage to "ensure" that it was possible. 4 bills later, only 1 of them saved me money. It's been a challenge trying to find time to call the provider and make it right."

"Nothing ever happens easily. It's always a fight or someone makes a mistake or gives incorrect information. In order to get something done it usually requires multiple (long) phone calls. Frequently, you have to get really mad for them to take you seriously."

"I worked with them to bring my overall bill down and it was down for a month and the following month started crawling back up and is now where it was when I started the process."

"When trying to negotiate or discuss [the problem] it takes hours then the problem is solved for 2-3 months, then you see the charges steadily creep up again."

"Rogers recently fixed a problem but it cost me hours away from my work (self-employment) dealing with too many different people."

"There was no amendments made to bills for the time I did not receive service"

"Service is terrible, which results in incessant calls to tech support; tech support is terrible. Mobile and internet providers -- Rogers and Bell -- are a tremendous source of stress and a terrific time suck, never mind financial drain."

"Bell offered me a "complimentary upgrade to my internet services in November that took place without my consent and then began billing me an increased rate in January to reflect my "new" services that I did not request."

"I actually cannot afford any internet provider. I share my internet services with my neighbour's family, and pay him a little something to help pay the bill."

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“When I call with a problem or question I get shoved around between departments so almost to forget what I was calling about.”

ⁱ https://openmedia.ca/sites/openmedia.ca/files/TimeForAnUpgrade_OpenMedia_130419.pdf