



Guidelines for sales and  
marketing codes of practice for  
Fixed-line Telecommunications  
Services

## **1. Introduction and overview**

1.1 Key objectives to be outlined:

- To ensure that Communications Providers (“Providers”) provide their Domestic and Small Business Customers (‘Customers’) with standards of protection over and above those provided by the law (see table below for examples).
- To ensure good practice and responsible selling in the marketing of Fixed-line Telecommunications Services, and to help Customers understand the service and behaviour to be expected;
- To provide a clear framework within which responsible Providers should be working, providing reassurance to Customers and consumer representatives as to what constitutes good practice in the sales and marketing of Fixed-line Telecommunications Services.

1.2 The focus to be sales and marketing of Fixed-line Telecoms Services to 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 and the key terms of any contracts they are entering into.

1.3 Procedures to be in place for sales and marketing staff, and agents, to be informed of the Codes of Practice for Sales and Marketing (‘the Code’) and its contents, and for monitoring their compliance with it.

1.4 Procedures to be in place, and fully documented, for Customers and advice agencies to be made aware of the Code and its contents such as, for example, making reference to the Code in sales and marketing literature, as part of the Providers’ ‘notification of transfer’ letter (referred to in paragraphs 6.11 and 6.12), and by making available on Providers’ public websites.

1.5 Codes to be drafted in plain English which is easy to understand, and copies of it to be provided on request, and free of charge, to Customers.

1.6 Providers’ accountability to be visible in the form of a named person, responsible for compliance, with relevant contact details, including an e-mail address.

## **2. Status of code**

2.1 All Providers who engage in sales and marketing for Fixed-line Telecoms Services are required under General Condition 14.3 to establish the Code in accordance with these Guidelines, and comply with the provisions of the Code.

2.2 Compliance with the Code does not guarantee compliance with any legal requirement.

2.3 Non-compliance with the 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 in shops or shopping centres, post, fax, electronic mail, telephone or in person. Regardless of the way in which sales and marketing activities are conducted, Providers to act responsibly and compliantly.
- 3.2 Customers' legal rights and wishes to be respected where they have registered with any relevant preference service, including the Mailing Preference Service, the Telephone Preference Service, the Fax Preference Service and the E-mail Preference Service.
- 3.3 Advertising and promotion to comply with the British Codes of Advertising and Sales Promotion and all other applicable advertising codes. In addition, advertising and promotional literature to be clear, unambiguous, accurate and fair, containing no false or misleading information about price, value or service and, in particular, must not denigrate other Providers.

### **4. Recruitment and sales training**

- 4.1 Appropriate procedures to be set up for the selection of staff involved with direct contact with customers for the purposes of sales and marketing activity.
- 4.2 Providers to be responsible for ensuring that sub-contractors (third party agencies) also set up equivalent selection procedures. For the avoidance of doubt, third party agencies shall not include resellers to whom telephony services are sold on a wholesale basis.
- 4.3 Whilst operating within current employment legislation, recruitment of sales staff to have regard to:
  - behaviour and appearance, recognising that the sales person may be seen as the 'public face' of the industry;
  - security – references and relevant convictions for criminal offences to be checked and taken into account;
  - evidence of mis-selling or lack of integrity in any previous selling employment.
- 4.4 The following requirements related to sales staff based in the UK to be observed:
  - the applicant must provide proof of National Insurance number, proof of address and two references;
  - referees cannot be related to the applicant;
  - business referees must not both be from the same company;

- if a sales person leaves for any reason a copy of his or her sales records (including all recordings and notes on sales) will be retained for a minimum period of six months;
  - reasonable endeavours to be made to retrieve the identification badges of staff leaving the company.
- 4.5 For sales-staff not based in the UK, equivalent procedures to be applied, and documented.
- 4.6 Providers to satisfy themselves that they 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 to include:
- arrangements for competition in the supply of telecommunications in the UK;
  - the different telephone options provided by the company and how these differ from other competitive telecoms products (which may or may not be offered by the company); for example, Indirect Access, Carrier-Pre Selection, Wholesale Line Rental or Wholesale Calls;
  - the process for ordering the telephone service;
  - the relevant principles of consumer protection law;
  - 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;
  - the nature, and cost, of any additional services on offer;
  - the process for cancelling the contract both during the cooling-off period and at any time following commencement of the service; and
  - the existence of the sales and marketing code of practice and the benefits provided;
  - the procedure for handling customer complaints.
- 4.7 Responsibility for compliance with the Code by representatives, and any sales agency acting on their behalf, to lie with the Provider. The Provider to identify the title of the person accountable for ensuring that the company and its agents observe the Code, and the title of the person responsible for handling complaints relevant to the code.
- 4.8 Remuneration systems, to be documented, and not to be such as to encourage misleading or exploitative sales practices. The Provider to be kept informed of incentive schemes used by any agencies it employs for sales and marketing.

## **5. Customer contact**

- 5.1 Discretion to 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 to be issued with identity badges that clearly display the name of the Provider they represent and a unique identification number for that representative. The identity badge to also display the representative's name, a photograph of the representative and an expiry date for validity of the card. The information on the card to be presented in such a way that does not require close examination. Identity cards must also be made available with key information in Braille, on request
- 5.3 All representatives to immediately identify themselves, the company they represent and the purpose of the call and the expected call duration. If visiting or meeting in person, they should draw the Customers' attention to their identity card.
- 5.4 Reasonable steps to be taken to keep informed of local authority initiatives, password schemes etc, such as the Local Distraction Burglary Initiative.
- 5.5 All representatives to be courteous, use appropriate language and offer clear and straightforward explanations. All information should be factual and accurate. Representatives should not misrepresent the services being offered nor those of other Providers. Representatives should also check that Customers entering into contracts understand, and intend, them.
- 5.6 Representatives to cease contact with any person who indicates that the contact is inconvenient, unwelcome, inappropriate or too long. If the Customer requests it, the discussion to be ended immediately and, if making a doorstep call, the premises to be left immediately.
- 5.7 Representatives 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. Providers should have a policy regarding such Customers, including that their representatives do not pursue sales presentations to Customers whom they believe may be vulnerable.
- 5.8 Where there is sheltered housing, nursing homes or residential care facilities contact to 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 to be conducted that is directed to those who are under the legal age for entering into contracts.
- 5.10 Sales and marketing campaign records to 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 All reasonable steps to be taken to ensure that the person entering into a contract is authorised to enter into the contract for the Fixed-line Telecommunications Services/bills at the premises.
- 6.2 Order forms and contract forms to be designed such that the contractual nature of the document is clear to the Customer, and it contains a statement of the contractual nature of the document immediately adjacent to where the Customer signs the document so the statement cannot easily be obscured or concealed<sup>1</sup>. Customers to sign over the word “contract”
- 6.3 Where a direct approach to the Customer takes place, the Customer to be given the information set out in this paragraph, in writing, in a clear and comprehensible manner
- essential information including the identity of the company, its address, telephone, fax and e-mail contact details, as appropriate;
  - a description of the telephone service sufficient to enable the customer to understand the option that the customer has chosen, and how it works;
  - 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;
  - 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 to be informed;
  - the existence of a right of cancellation and the process for exercising it;
  - the period for which the charges remain valid; and
  - the minimum period of contract, and minimum contract charges, if any.
- 6.4 Customers to be made aware of the existence of the Code, and preferably provided with a summary. Copies of it to be provided on request, and free of charge, to Customers.
- 6.5 At the Customers request, full written information about tariffs to be made available.

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<sup>1</sup> 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.

- 6.6 If a Customer signs an order form following face to face contact, or enters into a written contract, the customer must 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:
- information about any after-sales services or guarantees; and
  - arrangements for the termination of the contract.
- 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 to be prominently displayed with the information being capable of being easily downloaded and printed.
- 6.9. During the switchover period there should be 'no cost' cancellation for Customers where they change their mind. Customers to be made aware that they have the right to change their mind during the switchover period .
- 6.10 Customers to be permitted to cancel orders and terminate contracts by telephone, in writing, by fax or by e-mail.
- 6.11 Providers to send a mandatory letter in accordance with the industry-agreed process informing the customer of the details of the transfer, and the following to be clearly communicated:
- date of notification;
  - CLI(s) affected;
  - list of services affected/unaffected, e.g. IA call barring;
  - date of switchover;
  - the sender's contacts details for any queries.
- 6.12 The notification will be by letter although may be sent electronically where Customers 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.
- 6.13 Providers to keep under review the procedures by which contracts are agreed and to take appropriate steps to prevent recurrence of any problem identified.
- 6.14 In all cases, Customers to be contacted along similar timescales to the industry-agreed process described in paragraph 6.11 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.
- 6.15 Such Customer contact to be either part of the mandatory Customer 'notification of transfer' letter referred to in paragraph 6.11 or through a separate process. This contact to be made by a person not engaged directly in activities leading to the promotion of sales contracts.

- 6.16 If it is found that the contract was not understood or intended, or if the order matured before the expiry of the switchover period, and the Customer wishes to cancel, Providers to terminate the contract without charge or other penalty to the Customer.

## **7. Consumer protection and other legal requirements**

- 7.1 Procedures to comply with all applicable legislation and appropriate amendments (see table below for examples).

## **8. Audit**

- 8.1 Providers to carry out regular audits of systems, procedures and documentation to ensure that they are acting compliantly with all aspects of the Code.

## **9. Customer complaints procedure**

- 9.1 Providers' internal procedures for handling Customer complaints to also include those relating to their sales and marketing activities. Providers to ensure that all their 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 in accordance with their current obligations.
- 9.2 The complaints procedure to set out how Customers may complain about the company's sales and marketing activity and what further steps are available if they believe their complaint has not been dealt with satisfactorily.
- 9.3 In addition, Customers also to be made aware of any dispute resolution arrangements as recognised by Ofcom. Currently Ofcom has approved two schemes: the Office of the Telecommunications Ombudsman ('Otelco') and the Communications and Internet Services Adjudication Scheme ('CISAS').
- 9.4 Providers to liaise regularly with Ofcom and the relevant consumer groups to monitor the number and nature of complaints under its code.

## **10. Distributing the code: creating awareness**

- 10.1 The Code to be available to Customers on request, free of charge and in a reasonable range of formats.
- 10.2 The head office of the Citizens Advice (address: Myddleton House, 115-123 Pentonville Road, London, N1 9LZ) plus other head offices of relevant major advice agencies normally to be sent copies of the code and any subsequent update. Providers with restricted operations such as those operating only in specific regions to circulate copies to advice agencies as appropriate.

**Legislation of particular relevance to sales and marketing of particular telephony products**

Particular attention is drawn to the following regulations (as amended, where appropriate), in addition to all other appropriate consumer protection law and advertising Codes of Practice

	Title	Comment
1.	The Unfair Terms in Consumer Contracts Regulations 1999 SI 1999 No 2083	<ul style="list-style-type: none"> <li>introduces controls over unfair standard terms in contracts with consumers</li> <li>requires written contracts with consumers to be in plain, intelligible language</li> </ul>
2.	The Consumer Protection (Cancellation of Contracts Concluded away from Business Premises) Regulations 1987 SI 1987 No 2117	<ul style="list-style-type: none"> <li>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)</li> </ul>
3.	The Consumer Protection (Distance Selling) Regulations 2000 SI 2000 No 2334	<ul style="list-style-type: none"> <li>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</li> <li>requires cancellation rights (min 7 working days) to be given to consumers, starting from the date of delivery of prescribed information</li> <li>provides that making demands for payment for services not ordered by consumer is a criminal offence</li> </ul>
4.	Telecommunications (Open Network Provision)(Voice Telephony) Regulations 1998 SI 1998 No. 1580	<p>Extensive requirements for system-less resellers and operators of systems licensed by DTI to</p> <ul style="list-style-type: none"> <li>offer written contracts to consumers complying with the regulations;</li> <li>to publish their terms and conditions and tariffs by placing copies in every major office for public inspection during prescribed hours</li> </ul>
5.	Various Misleading Advertising Regulations	

6.	Consumer Protection Act 1987 (Part III)	
7.	Consumer protection legislation	<p>Civil responsibilities</p> <ul style="list-style-type: none"> <li>• Misrepresentation Act 1967</li> <li>• Unfair Contract Terms 1977</li> <li>• Sales of Goods Act</li> <li>• Supply of Goods and Services Act 1982</li> <li>• Consumer Protection 1987</li> <li>• Sale and Supply of Goods Act 1994</li> <li>• Control of Misleading Advertising Regulations 1988 SI 1988 No 915</li> <li>• Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 SI 1987 No 2117</li> <li>• Unfair Terms in Consumer Contracts Regulation SI 1999 No 2083</li> </ul> <p>Criminal liabilities</p> <ul style="list-style-type: none"> <li>• Trade Descriptions Acts 1968</li> <li>• Administration of Justice Act 1970</li> <li>• Fair Trading Act 1973</li> <li>• Price Act 1974</li> <li>• Consumer Protection Act 1987 (Parts II, III, IV and V)</li> <li>• Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 SI 1987 No 2117</li> <li>• Consumer Protection (Distance Selling) Regulations 2000 SI No 2334</li> </ul>