

Strengthening the Regulation of Person-to-Person Telemarketing Calls Meeting

19 April 2018

Agenda

1. Update on the Public Consultation Result
2. Update on the employment status of the contact centre industry in Hong Kong
3. Collect views and potential impact on respective business sectors with the Do-not-call Register
4. Formulate action plan to feedback our concerns to CEDB
5. A.O.B.

Public Consultation Result



3709 submissions received

- **253 were non-template** submissions from individuals
- 32 were non-template submissions from groups/organisations/enterprises, including -
 - 18 submissions from trade associations/enterprises e.g. HKCCA
 - 8 submissions from political parties/political bodies/ LegCo Members, including one enclosing 4121 signatures of the public
 - 6 submissions from other organisations e.g. Consumer Council, PCPD
- **3426 copies from five template** submissions/questionnaires
 - A template submission, with 1284 copies from individual members of the beauty sector
 - A template submission, with 13 copies from individual members of the beauty sector
 - A template questionnaire, with 1852 copies from the “opinion generator” of LegCo Member Charles Mok

Views Received on Different Options



Improving Trade-specific Self-regulatory Regimes

- Currently, four sectors (finance, insurance, telecommunications and call centres) have established their respective self-regulatory regimes.
- Among the 18 submissions from trade associations/enterprises, the vast majority, especially trade associations support the self-regulatory regimes and opine that the current system of trade specific codes of practice has been effective - that the number of complaints against P2P calls has dropped.
- Two submissions (HKCCA) further suggest that a mandatory accreditation system should be put in place with regular reviews to ensure compliance with the codes of practice.
- 3 trade associations of the beauty sector indicate support the self-regulatory regimes and suggest extending such regimes to the beauty sector.
- The Liberal Party supports this option - opines that it is more flexible, as it does not require a lengthy legislative process, and trades can revise their codes of practice in a swift manner to suit any changes in circumstances.

Views Received on Different Options



Improving Trade-specific Self-regulatory Regimes

- Among the 253 non-template submissions from individuals, none supports the option of improving trade-specific self-regulatory regimes - citing they have proven ineffective over the years for lacking of sufficient deterrent effect.
- Among the 8 submissions from political parties/political bodies/LegCo Members, the majority (7) do not support the option of improving trade-specific self-regulatory regimes.
- The Consumer Council states that self regulatory regimes are unable to balance the interests of the trades and the public. The current self-regulatory regimes inconvenience consumers as such regimes are not regulated by a unified central authority and consumers have to ask individual companies one by one not to make P2P calls.
- PCPD also holds similar views. It considers that self-regulatory regimes would serve well as an interim measure, but the effectiveness of such regimes hinges on self-discipline of members of the trades while there seems to be a lack of industry organisations or strong cohesion in many of the relevant trades.

Improving Call-filtering Applications in Smartphones



- Among the individual submissions (250) which support stepping up regulation by legislation, 40% (110) agree that given the lengthy legislative process, smartphone call-filtering apps should be enhanced in the interim.
- Around 20% (48) of these submissions, however, consider that if the Government were to deal with P2P calls by legislation, there is no need to expend extra time and efforts on studying the option of using call-filtering apps.
- Among the 18 submissions from trade associations/enterprises, 8 support both the options of improving call-filtering apps in smartphones and improving self-regulatory regimes at the same time.
- Among the 8 submissions from political parties/political bodies/LegCo Members, 6 support the option of smartphone call-filtering apps - the Government should adopt a multipronged approach in dealing with the issues of P2P calls, and it can play a supplementary role in screening out some P2P calls.
- The Consumer Council and PCPD support it as a interim measure, but are concern over possible privacy issues.

Establishing a Statutory Do-not-call Register



- Among the 253 submissions from individuals, the majority (193) support establishment of a statutory Do-not-call Register - consider statutory regulation more effective for its provision of sufficient deterrent effect.
- Among the eight submissions received from political parties/political bodies/LegCo Members, the majority support early establishment of a statutory Do-not-call Register - the statutory approach offers the highest deterrent effect and is the most effective option.
- Among the submissions supporting establishment of a Do-not-call Register, a few (nine) further suggest that the Register should be operated by sectors and that the public may choose not to receive P2P calls from certain sectors.
- The Consumer Council and PCPD support establishment of a Do-not-call Register. Do-not-call – the Register would be the most effective and consumer-friendly option amongst all.

Establishing a Statutory Do-not-call Register



- The 18 submissions from trade associations/enterprises, all of them are in clear opposition to establishment of a statutory Do-not-call Register - it will seriously hamper normal business operation; increase costs and bring about adverse impacts on employment in particular to micro and SMEs.
- The Liberal Party does not support establishment of a statutory Do-not-call Register.
- Under Personal Data (Privacy) Ordinance, the collection, use and transfer of personal data with regard to P2P calls are already strictly regulated. Consumers have every opportunity to unsubscribe P2P calls.
- Overseas experiences show enormous difficulties in enforcement as regulation by legislation has various limitations, e.g. difficulties in detecting calls from overseas and collecting evidence
- If DNC Register were to be established, certain exemptions should be provided to recognise the effectiveness of the existing self-regulatory regimes and that the registration be made to lapse after a certain period say two to three years.

CEDB proposed actions



1. To establish a statutory Do-not-call Register (inclusive of warm calls and cold calls)
2. To define “marketing calls”; “telemarketers”; procedures to register and de-register of telephone numbers as well as the legal responsibility of the offenders
3. To appoint Privacy Commissioner for Personal Data (PCPD) to administer the Do-not-call Register
4. In the process of legislation, to actively work with respective stake holders to develop a practical and effective regulatory mechanism
5. To encourage respective business sectors to improve the self-regulatory regimes – a highly effective self-regulatory regime will minimize consumers’ desire to use the DNC Register

Contact Centre Industry Employment in Hong Kong – 2014 Research



- Hong Kong companies have about **3,500** contact centers and majority of companies have 1-2 contact centers in Hong Kong or China
- Among 3,500 contact centers, **2,500** of them are located in **Hong Kong** while the rest are outside of HK
- There are about **45,000 seats** in the contact centers in Hong Kong, and contact centers located in HK generally have fewer seats than those located elsewhere
- About **30,000 employees** offer **inbound** call service only; about **25,000 employees** perform both **inbound and outbound** call while about **3,000 only do outbound**.

Contact Centre Industry Employment in Hong Kong – 2017 Research



- Number of contact centres in Hong Kong **2,900**
- Number of seats **48,000**
- Number of employees **57,000**
- Support inbound call service only 26,000
- Support a combination of inbound and outbound calls 29,000
- Support outbound call service only 2,000

The Way Forward



1. Active participation in CEDB development of the Do-not-call Register legislation
2. Strive for exemptions on certain after sales service e.g. re-contract; grandfathering clause on previous customer consent; B2B activities
3. Strengthen public education on P2P marketing calls and the consequence of register one's telephone number on the Register
4. Improve the P2P Code of Practice (CoP) Certification with collaboration with the 4 other trade associations
5. Encourage more participation for CoP Certification from telemarketing business (member and non-member)

THANK YOU