



## Telecom Decision CRTC 2013-678

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Ottawa, 11 December 2013

### **CISC Business Process Working Group non-consensus report – Customer transfer process involving a series of resellers (BPRE082a)**

File number: 8621-C12-01/08

*In its non-consensus report BPRE082a – Series of Resellers, the CISC Business Process Working Group dealt with the involvement of resellers in the process of transferring customers who wish to change service providers. In this decision, the Commission approves the two consensus items contained in the Report and makes determinations regarding the two non-consensus items. These determinations will help set out how resellers should be involved in validating customer information when a customer requests a change in service providers.*

*First, the Commission determines that local exchange carriers (LECs) are not required to involve resellers in the validation of customer information for residential customer transfers; however, for business customer transfers, LECs are to give primary resellers the opportunity to validate customers' information before the transfer takes place. The Commission considers that this validation should involve only minimal customer information.*

*The Commission also determines that LECs should notify primary resellers of a customer transfer within one week after completion of the transfer, by a means to be bilaterally negotiated between the parties.*

#### **Introduction**

1. The Business Process Working Group (BPWG) of the CRTC Interconnection Steering Committee (CISC) submitted non-consensus report BPRE082a – *Series of Resellers* (the Report), dated 19 September 2012, requesting Commission approval of two consensus items and Commission determinations on two non-consensus items. The Report can be found on the BPWG “Reports” page in the CISC section of the Commission’s website at [www.crtc.gc.ca](http://www.crtc.gc.ca).
2. The Report deals with how resellers should be included in the customer transfer process when a chain or series of resellers are involved in delivering telecommunications services to customers who wish to change service providers.
3. The BPWG undertook this task because the telecommunications industry has been experiencing difficulty achieving timely and efficient customer transfers when one or more resellers are involved in providing service to customers. In many instances,

customer transfer requests are rejected by automated systems because the name of the customer who is requesting the transfer does not match the name of the customer in the local exchange carrier's (LEC) database. This is because, when there is a chain of resellers, the name of the customer in the LEC's database is actually the name of the first reseller (or primary reseller) in the service supply chain.

4. These transfer rejections lead to escalation procedures that require additional resources to identify the reason for the rejection and then to find a solution. Solutions may require work-arounds to normal processes, which in turn require more resources, all of which can mean significant delays and frustration for customers.
5. To overcome these problems, some LECs have set up bilateral arrangements to involve their primary resellers<sup>1</sup> in validating end-customer information; alternatively, some primary resellers provide the LECs with their end-customer information. However, to date there has been no standardized industry agreement on how resellers should be involved in validating customer information when a customer requests a change in service providers.

## The Report

6. The BPWG examined the current customer transfer process to determine if measures could be taken to involve resellers in validating customer information in order to ensure that the correct customer is transferred. The BPWG was able to reach agreement on two measures that can be incorporated into the customer transfer process, but did not reach agreement on two other measures.
7. The consensus items are the following:
  - the customer information validation process<sup>2</sup> used by a LEC and its primary reseller should be negotiated on a bilateral basis, with no need for a standard process to be developed; and
  - if a primary reseller fails to respond to a validation request within the standard time frame prescribed in Commission-approved industry documentation, a LEC may proceed with confirming the customer transfer.
8. The non-consensus items relate to the following:
  - whether a LEC is required to provide its primary resellers with the opportunity to perform validation of a transfer request that seeks to

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<sup>1</sup> When a chain of resellers is involved in delivering service to end-customers, the LEC's arrangements are with the primary reseller, which in turn might have set up similar arrangements with other resellers along the chain.

<sup>2</sup> An automated solution for validating customer information could be practical for large resellers. However, manual processes (e.g. sending spreadsheets via email) would most likely be more cost-effective for smaller resellers in cases where the transfer volumes do not warrant an automated process.

transfer one of the reseller's customers, prior to the LEC confirming the request; and

- the time frame within which a LEC should provide primary resellers with confirmation of a completed transfer involving one of the reseller's customers.

9. In addition, the BPWG requested that the Commission clarify whether validation of customer information is required for all customer transfer requests.

10. Based on the Report, the Commission has identified the following issues to be addressed in this decision:

I. Should the Commission approve the consensus items?

II. Should LECs be required to give their primary resellers an opportunity to validate customer information before proceeding with a customer transfer, and should validation be obtained for all customer transfer requests?

III. What should be the timelines for LECs to notify primary resellers of a completed customer transfer?

#### **I. Should the Commission approve the consensus items?**

11. The Commission notes that the BPWG requested approval of the two consensus items set out in paragraph 7 above.

12. The Commission considers that a single, standardized approach to the validation of customer information may not be appropriate for all resellers, and that it would be reasonable for LECs and resellers to negotiate the validation process bilaterally, as recommended in the Report. The Commission also considers that it is reasonable for a LEC to proceed with a customer transfer if a primary reseller fails to respond to a customer information validation request within the standard time frame.

13. Accordingly, the Commission **approves** the two consensus items contained in the Report. The Commission considers that the consensus items will provide benefits to consumers, since implementation of the items may result in a more efficient transfer process and better quality of service. The Commission also considers that both LECs and resellers will benefit from having the flexibility to tailor their validation processes to their particular circumstances.

#### **II. Should LECs be required to give their primary resellers an opportunity to validate customer information before proceeding with a customer transfer, and should validation be obtained for all customer transfer requests?**

14. The BPWG did not reach consensus on whether a LEC should be required to involve resellers in the validation and confirmation of customer transfer requests.

15. In the Report, Comwave Telecommunications Inc. and Distributel Communications Limited (the Resellers) submitted that resellers should be involved in the validation of customer information so that their customers are not disadvantaged relative to LEC customers as the result of their information not being validated before the customer transfer occurs, which could lead to an inadvertent loss of service for those customers. The Resellers also submitted that customers who obtain service directly from a LEC should not receive a higher level of consumer protection than customers who obtain service from a reseller.
16. In the Report, most LECs submitted that they do not want to introduce additional steps in the process to complete transfer requests, particularly when handoffs between parties are involved, due to current service interval obligations, the low number of inadvertent errors occurring today, and the operational inefficiencies that could be introduced with any additional steps.
17. Specifically, Bell Canada indicated that in order to meet service intervals for a transfer request when a reseller is involved, it must be able to complete the validation of information virtually “on the spot,” without handoffs of documents or waiting for turnaround of the validation results. Bell Canada noted that for the transfer of long distance service, little information is validated other than the telephone number.
18. In the Report, MTS Inc. and Allstream Inc. (collectively, MTS Allstream) proposed that, for transfer requests from residential customers, the process of validating customer information be relaxed or eliminated entirely. In this regard, the companies noted that, based on their experience with customers’ long distance service transfers, less than 0.01 percent of those transfers resulted in migration errors in 2011. They further noted that when migration errors did occur, the carriers involved worked together to expeditiously correct them. However, MTS Allstream added that, where feasible, resellers should be given the opportunity to validate all transfer requests for business customers.

### **Commission’s analysis and determinations**

19. The Commission notes that in the Report, the BPWG requested clarification on whether customer information validation is required for all customer transfer requests (i.e. residential and business). In the Commission’s view, it would be appropriate to proceed with different requirements regarding the validation of customer transfer information for residential and business customers. The Commission considers that the typical consequence of inadvertent transfers is different for these two groups. For residential customers it can mean an inconvenience for a short period of time, while for business customers it can result in lost business and revenue.
20. The Commission considers that, based on the customer transfer experience in the long distance market, there would be very little risk to consumers if primary resellers were not involved in the validation of residential customer transfers. However, in the

event of an error, the Commission expects all parties to work together to correct the error as quickly as possible.

21. The Commission further considers that, due to the consequences of inadvertent customer transfers for business customers, primary resellers should have the opportunity to validate business customer information prior to a transfer, with the information to be validated kept to a minimum. The Commission leaves it to the LECs and the primary resellers involved to determine what information will be validated.
22. Accordingly, the Commission determines that LECs are not required to involve primary resellers in the validation of residential customer information, but they are required to give primary resellers the opportunity to validate customer information in the case of business customer transfer requests.

### **III. What should be the timelines for LECs to notify primary resellers of a completed customer transfer?**

23. All BPWG participants agreed that LECs should notify resellers of customer transfers once a telephone number has been properly activated in the porting systems and the requested transfer is complete. However, there was non-consensus on the timing of this notification.
24. In the Report, the Resellers stated that the current industry process is for LECs to notify resellers once a transfer request has been completed. They initially submitted that as resellers, they should be notified within one business day after the completion of the customer transfer. Subsequently, Distributel Communications Limited indicated that it was willing to accept a timeline for notification of one week after completion of a customer transfer, using a notification method negotiated between a LEC and its resellers.
25. In the Report, the LECs submitted that they could not commit to a one-day notification and argued that this time frame should be negotiated on a bilateral basis. They further submitted that, according to their experience, not all resellers want to receive transfer completion notifications. The LECs also submitted that if negotiated time frames were not acceptable to a reseller, the reseller could change service providers just like any other customer.

#### **Commission's analysis and determinations**

26. In the Commission's view, it is important for primary resellers to receive notification of customer transfers in a timely manner in order to avoid such issues as multiple service billings to a customer, incorrect call routing, improper use of voicemail boxes, and potential service disruption. The Commission considers that a one-week notification time frame is reasonable and should significantly reduce the potential for customer complaints related to these types of issues.

27. Accordingly, the Commission determines that LECs are to notify their primary resellers within one week of completion of customer transfer requests. The means by which this notification is provided is to be bilaterally negotiated between the LECs and the primary resellers.

Secretary General