



# Consultation on Canada's large telecommunications carriers' sales practices

## **EXECUTIVE SUMMARY**

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*Ce rapport est aussi disponible en français.*

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A handwritten signature in black ink, appearing to read "M. Colledge". The signature is stylized and written over a faint, light-colored watermark of the Ipsos logo.

Mike Colledge  
President  
Ipsos Public Affairs

## KEY FINDINGS

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## Key Findings

The purpose of this POR was to examine claims of aggressive or misleading sales practices by telecommunications companies in Canada to provide evidence in support of a report requested by the Governor-in-Council.

The POR sought to better understand the prevalence of aggressive or misleading sales practices based on Canadians' own perception of these tactics, how they define such practices and incidence of a specific set of sales tactics commonly heard through complaints to CCTS. The POR also sought to gauge Canadians' level of concern with these sales practices in the context of the broader telecommunications sector and their appetite for the government to take steps to address these concerns.

Overall, four in ten (40%) Canadians who responded to the online panel survey report having experienced sales practices by telecommunications companies in Canada that they consider to be aggressive or misleading, the majority of which report their most recent experience took place within the past year (60% of those who experienced these tactics or 24% of all Canadians).

- *When asked to explain their experiences, most comments could be attributed directly to either aggressive or misleading sales practice, while issues with door-to-door sales and poor customer service were also highlighted by some.*
- *In the qualitative research, many had experienced these practices and the sentiment was expressed that any sales and marketing practice where the customer feels they don't have a choice in engaging in the interaction are the most frustrating, and the ones where they are able to view the information on their own time and terms were viewed most favourably.*

Prevalence of aggressive or misleading sales practices is even higher when asked about a specific set of tactics with a majority of Canadians reporting salespeople pushing telecommunications products or services they are not interested in (55%), while four in ten have had technical support representatives attempt to sell them products or services during the support interaction (39%).

- *Fewer report having received a rebate or discount offers where the terms differ from the original information provided (32%), salespeople providing false details of telecommunication products or services (31%), or rebate or discount offer where terms are not disclosed before purchase (28%).*

Generally speaking, Canadians express concern with a number of aspects of the telecommunications sector in Canada and a strong majority are extremely or very concerned specifically about misleading sales practices (58%), while nearly half are as concerned about aggressive sales practices (48%).

- *Both quantitative and qualitative research highlighted that concerns with the telecommunications sector extend beyond aggressive or misleading sales practices, with concerns about the amount of competition in the sector, cost of services and quality of customer service among the most prevalent.*
- *The qualitative research also identified that a lack of knowledge and transparency about telecommunication companies pricing practices exacerbates negative impressions of the sector and of inappropriate sales tactics.*
- *A strong majority of Canadians feel that telecommunications companies place the pursuit of profit above consumer protection (76% agree) and the perception exists that they engage in*

*aggressive or misleading sales practices to pressure more vulnerable people into accepting products or services they do not need (77%).*

- *There is also strong agreement that the best way to address aggressive or misleading sales practices is for consumers to change to a provider who does not engage in such tactics (68% agree), however the research also identified that concern exists about the amount of competition in the sector (70% extremely/ very/ somewhat concerned) and qualitatively we learnt that Canadians feel they have limited choice of providers and that most major providers act in a similar fashion which compounds their ability to address these issues themselves.*

Among those impacted by aggressive or misleading sales practices, few have taken significant steps to address the issue beyond speaking to friends and family about their experience (48%) and while four in ten (39%) complained to their provider very few brought their concerns directly to the CCTS (8%).

- *The qualitative research highlighted a feeling of helplessness among many, who believe there is limited accountability amongst telecommunications providers and that they as consumers have little recourse beyond speaking to friends or family about their experiences.*

There is strong sentiment among Canadians that they want action from government at all levels to tackle the issue (77% agree) and a strong majority look to the CRTC specifically to address their concerns (74% agree).

- *Support for the potential solutions presented is very strong with more than eight in ten either strongly or somewhat supportive of a mandatory code of conduct (83%), monetary penalties for companies engaging in such practices (83%) and a publicly released report on complaints received by government regarding sales practices (82%).*
- *Qualitative participants highlighted that these actions would be a means to empower consumers, enable more positive relationships with their telecommunication providers, and engage with the industry as informed consumers. They believe that a neutral third party would be best suited to oversee these actions.*
- *Awareness of the Commission for Complaints for Telecom-Television Services (CCTS) is universally low among Canadians (30%) and the qualitative research identified that greater knowledge of the organization and its mandate were of great interest as it provides a course of action in the event of a dispute.*

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### *Canadians more vulnerable to aggressive or misleading sales practices*

- **Canadians with a disability** are more likely to be aware of the issue of aggressive or misleading sales practices and to report having personally experienced it overall than those without a disability. Experiences with the specific aggressive or misleading sales practices presented however is consistent with the broader population as is support for the potential solutions.
- **Seniors (65+)** are less likely to have personally experienced aggressive or misleading sales practices and among those who have to report it took place more than a year ago. Seniors are however more likely to want to see action from government to address the issue and are more supportive of the proposed remedies than the broader Canadian population.
  - *Qualitatively, most seniors we spoke to do not see themselves as a vulnerable population (except for those on a fixed income to a limited degree) – but there is concern about their parents being taken advantage of (i.e. parents of seniors). That said, a few who feel less*

*technically savvy mentioned having their adult children review things with them to ensure they understand what they are getting.*

- **Third language communities** while more likely to have personally sales practices they consider aggressive or misleading sales practices and specifically salespeople providing details of telecommunication products or services which end up being false or rebate/discount offers where terms are not disclosed before purchase also express greater tolerance towards the practice. They are less likely to agree that all levels of government need to work together to address the issue, that telecommunications companies are too concerned with profit and not enough with consumer protection and that companies use these sales tactics to pressure more vulnerable people into accepting products or services they do not need. They are also more likely to agree that that it is a normal part of business and that concern about the sales tactics is exaggerated. Support for potential remedies is lower among those who speak a third language however a strong majority are still in favour of each solution presented.
- Among the audiences consulted qualitatively, many felt unaffected as part of a more vulnerable audience however some themes emerged regarding challenges they commonly deal with while engaging with telecommunications companies.
  - Language comprehension for Third Language and Minority Language communities where service is often offered in a language other than what they speak and among Seniors when dealing with a representative who speaks a language other than English or French, or has a heavy accent;
  - The ability to concentrate or engage among those with mental disabilities or issues with accessing in-person technical support for those with mobility challenges;
  - Canadians in rural or more remote communities mostly struggled with a lack of choice due to few telecommunication companies in the area.

### *Differences By Major Providers*

- Customers of **Rogers** and **Bell/ Aliant** are more likely to report having experienced aggressive or misleading sales practices either overall or in regards to the specifics types of practices presented. They are also more likely to indicate their experience took place within the past year.
- **Videotron** customers are more likely to report experiencing salespeople selling products or services they do not want and are among the most likely to report their experience was within the past year.
- Support for potential remedies is strong across customers of all major service providers.

### *Differences By Demographics*

- **Region of residence:** Canadians who reside in Ontario are most likely to report experiencing aggressive or misleading sales practices and for the incident to have taken place within the past year. Incidence is also somewhat higher among those from Quebec or British Columbia, while those in Saskatchewan/ Manitoba are the least likely to have experienced a situation or for it to have been within the past year. Support for potential solutions while high across all regions of the country is highest in Saskatchewan/ Manitoba, followed by Quebec.
- **Urban/ Rural:** Canadians who reside in a rural area are less likely to indicate personally experiencing aggressive or misleading sales practices and to report specifically experiencing salespeople providing details of telecommunication products or services which end up being

false. They are also more likely to express concern with access to telecommunication services in rural areas. Support for all potential remedies while strong among both groups is higher for the creation of a mandatory code of conduct for telecommunications providers among those who live in a rural area.

- **Age cohort:** Prevalence of aggressive or misleading sales practices is higher among those under the age of 55 years old and in particular 18-34 years old. Support for potential solutions while high among all age cohorts is in fact strongest among older Canadians (over 55).
- **Indigenous status:** Awareness and incidence of aggressive or misleading sales practices is higher among Indigenous respondents, while support for potential remedies is lower than those who are not of Indigenous status however a strong majority respond positively.
- **Born in Canada:** Canadians not born in Canada express greater tolerance towards the issue of aggressive or misleading sales practices than those born in Canada. They are less likely to feel telecommunication providers place greater emphasis on profit than consumer protection and are more likely to feel aggressive or misleading sales practices are a normal part of business and that concern about the tactics is exaggerated. A strong majority are supportive of the potential solutions presented, but less so than those born in the country.

### *Differences By Official Language*

- Those who speak French are less likely to indicate personally experiencing sales practices they consider aggressive or misleading, however when asked about a specific set of practices are more likely to report experiencing salespeople pushing telecommunication products or services you are not interested in and less likely to report salespeople providing details of telecommunication products or services which end up being false. Among those who experienced these sales practices, English-speaking respondents are more likely to have told friends and family or to have complained to their provider.
- Generally speaking, French-speaking respondents are more likely to express concern with the amount of competition in the telecommunications sector. Attitudinally, French-speaking respondents are also more likely to agree that all levels of government need to work together to address the issue and that concern over the tactics is exaggerated (however only a relatively small minority feel so). They are also much less likely to agree that they don't care who addresses concerns about aggressive or misleading sales practices as long as the practice is stopped.
- Support for potential remedies is consistent across both Official Languages.

### *Comparison to Voluntary survey results*

- Experiences with and attitudes towards aggressive or misleading sales practices differ greatly among those who completed the voluntary public survey compared to the panel survey. Those who completed the voluntary survey are considerably more likely to be aware of the issue, to have experienced it personally and to express concern about the tactics.
- Support for the potential solutions presented is also considerably higher among those who completed the voluntary survey.