Public Opinion Research on the CRTC's Consumer Protection Codes 2022

Executive Summary

Prepared for Canadian Radio-television and Telecommunications Commission

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The Canadian Radio-television and Telecommunications Commission (CRTC) commissioned Kantar to conduct a public-opinion research survey to obtain tracking data on how consumers understand their wireless service contracts and their related rights as well as to further explore a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This wave of research will again explore Canadians' perceptions of the CRTC as well as issues related to the TV Service Provider Code, and the Internet Code. This publication reports on the findings of this research.

Cette publication est aussi disponible en français sous le titre: Recherche sur l'opinion publique concernant les Codes de protection des consommateurs

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1. Executive Summary

1.1 Background

The Wireless Code, which was established in 2013 by the CRTC, is a mandatory code of conduct for wireless service providers. The Wireless Code serves two primary goals: to ensure consumers are empowered to make informed decisions about wireless services; and to make it easier for consumers to take advantage of competitive offers. The Wireless Code includes provisions that address clarity; contracts and related documents; changes to contracts; bill management; mobile device issues; and cancellation.

The Wireless Code applies to all retail mobile wireless voice and data services (wireless services) provided to individual and small business consumers in Canada. The Wireless Code applies to all wireless contracts as of June 3, 2015.

The CRTC committed to evaluating the effectiveness of the Wireless Code and to use the results in formal reviews. The first formal review was completed in 2017. The review of the Wireless Code over time assesses whether it meets and continues to meet its objectives, which includes ensuring that consumers are empowered to make informed decisions about wireless services. Benchmarks were collected in 2014 and further tracking was conducting from 2015 to 2020.

On June 15, 2017, the CRTC announced multiple changes to the Wireless Code. The information collected between 2017 and 2021 helped the CRTC assess whether Canadians were satisfied with the changes and whether further changes are required to ensure the objectives of the Wireless Code continue to be met. The Commission now needs to obtain an additional year of data to continue tracking the Wireless Code's effectiveness and Canadians' opinions over time.

The Television Service Provider Code (TVSP Code), which was established in 2016 by the CRTC, is a mandatory code of conduct for licensed TVSPs and exempt TVSPs that are affiliated with or controlled by a licensed TVSP. The TVSP Code serves two primary goals: to make it easier for Canadians to understand their television service agreements and to empower customers in their relationships with TVSPs.

The Internet Code, which was established in 2019 by the CRTC, is a mandatory code of conduct for large facilities-based retail fixed Internet service providers. The Internet Code serves three primary goals: to make it easier for Canadians to understand their Internet service contracts, to prevent bill shock from overage fees and price increases, and to make it easier for Canadians to switch Internet service providers (ISPs).

1.2 Research Objectives

The overall objective of this research was to obtain tracking data on how consumers understand their wireless service contracts and their related rights as well as to further explore a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This wave of research also explores Canadians' perceptions of the CRTC as well as issues related to the TVSP Code and the Internet Code.

To ensure consistent tracking and comparability over time, the survey used for the Wireless Code POR research in 2020 was used with minimal changes, including updating questions related to the Internet Code.

More specifically, the survey was designed to address the following objectives:

– Better understand some of the issues that affect Canadians the most as it relates to their wireless, TV, and Internet services;

– Obtain data to assess whether the Wireless Code continues to meet its objectives, which include ensuring that consumers are empowered to make informed decisions about wireless services; and

– Better understand Canadians' perceptions of the CRTC and how they are changing over time.

1.3 Summary of Findings

Awareness of the Wireless Code

After remaining at a steady level from 2018-2021, awareness of the Wireless Code has declined steeply in 2022. Three quarters of Canadians (76%) do not recall hearing anything about it, an increase of 26% over 2021.

Wireless Data Usage

The percentage of Canadians choosing plans with data remains high and continues to increase year-over year (+3% over 2021). Nearly nine-in-ten Canadians now have wireless plans that include data (88%). Limited data plans continue to be the most common type of plan (63%) with an increasing trend moving toward towards unlimited data (21%, up 6% over 2021 and more than double compared to 2019).

Consistent with previous years, the vast majority of Canadians who have data in their wireless plans try to manage or limit their data use (98%). The primary methods for doing this continues to be using Wi-Fi where available (94%), followed by reducing data when notified (63%), and/or using tools to monitor data usage (40%).

Canadians continue to find it easy to manage their data each month. More than four-in-five Canadians (83%) consider it easy (5, 6 or 7 on a scale of 1-7). This is further demonstrated by the proportion of Canadians paying data overage fees (27%). Paying overage fees has remained stable in 2022, with nearly three quarters (73%) never having paid an overage in the previous 12 months. Similar to last year, this continuation may be a function of COVID-19 restrictions, as Canadians are more likely to be at home using their home Internet connection

Bill Shock and Roaming Fees

The incidence of bill shock among Canadians has increased by 3% in 2022 to 19%. However, bill shock continues to trend down (-5%) from 2018 when changes to the Wireless Code were first introduced, suggesting a positive overall impact from the changes. Despite this, Canadians continue to experience a range of unexpected charges, varying from less than $50 to over $1,000 per billing cycle. As in previous years, most of the unexpected charges continue to be less than $50 (29%) or between $50 and $100 (33%).

Data overage fees continue to be the primary reason for bill shock (34%), though the downward trend in data overage fee has continued (-7% from 2021 and -16% from 2020). After an increase in 2021, we see long distance overages have reverted to 2020 levels, (now 8%) while international roaming fees continues to be lower than pre-pandemic levels (9% vs 17%). Billing errors however have increased (+5%) over 2021, now representing 9% of bill shock.

Understanding of Contracts

Canadians' understanding of their contracts has remained stable in 2022, with the majority (62%) continuing to find their wireless contract clear and easy to understand (5, 6 or 7 on a scale of 1-7).

Further, in 2022, Canadians are now much more likely (+14%) to consider the explanation of their trial period to be clear (48% 5, 6 or 7 on a scale of 1-7) compared to previous years (32-36%).

A small but significant portion of Canadians state that changes to wireless services were made without expressly making them aware of the new terms and conditions (17%), which has remained relatively steady over time (12-16%).

Changing Service Providers

The number of Canadians who have changed their service provider has remained steady at 20 per cent for the third year in a row. As in previous years, the most common reason stated for changing providers was being offered a better deal (53%). Cost is now the second most common reason (22%) followed by no longer being satisfied with a service provider (13%).

The ease of switching providers has declined significantly in 2022 (-11%) reverting levels found in 2018-2020. Just over three quarters (77%) of Canadians report being able to easily navigate the change process (5, 6 or 7 on a scale of 1-7). Among the 16 per cent of Canadians who found the process difficult (rated 1, 2 or 3 on a scale from 1-7); technical issues (23%), poor customer service (19%) and difficulty retaining a phone number (14%) were the primary reasons for the difficulty. On a more positive note, far fewer Canadians (-24%) report high costs of ending contracts creating difficulties.

Complaints

The number of Canadians who report having made complaints about their wireless services has remained stable, in-line with 2016 to 2021 results (16% vs. 16-21%) and continues to remain significantly lower than in 2014 (26%). The reasons for complaints have remained stable in 2022, with inadequate quality of service continuing to be the top complaint (23%), followed by incorrect charges (17%) and data charges (14%).

Canadians continue to understand the complaint process involves first reaching out to their service provider. No Canadians reported complaining only to the Commission for Complaints for Telecom-television Services (CCTS). Ninety-four per cent report making a complaint solely to their service provider while 2% made the complaint to both their provider and the CCTS.

Canadians' Wireless Plans and Devices

There continues to be a gradual increase in the number of Canadians who choose a post-paid plan. The majority purchased post-paid services in 2022 (94%) while pre-paid services have seen a slight decline again in 2022 (-2%) now representing seven percent.

Individual plans continue to be more popular (65%) however family plans continue gain increased use over 2015 (33% vs. 25%) but have remained fairly stable since 2018.

Bring your own device (BYOD) rates continue to increase (42%; +3% vs. 2021) in 2022. New phone purchases are on the decline (46%; down 12% over 2021[1]) and a small portion of Canadians are now renting their device (9%).

Among those who purchased or rented a new phone, few pay full price (15%), though this is increasing, (+6%) over 2021. Compared to the previous year, fewer Canadians are starting a tab balance to purchase a new phone (42%; -9%) and slightly fewer (28%) are being given a discount on their phone (-3%).

Demographic Differences

A number of additional demographic analyses were also undertaken, including age, gender, education, income, and language. Demographic differences were noted in the following areas:

Age

Younger and middle-aged Canadians (18-64) are more likely than their older counterparts (+65) to:

- Have data included in their wireless plans (81-94% vs. 54-81%);
- Experience bill shock (19-21% vs. 11-12%); and
- To have paid data overage fees at least once in the past year (27-30% vs. 10-16%).

Older seniors (75+) are less likely than their younger counterparts (18-74) to:

- To find the explanation of the trial period unclear (29-32% vs. 19% among those 75+);
- To manage or limit data usage (90% vs 96-99%); and
- To be enrolled in a prepaid plan (14% vs. 5-8%)

[1] Note: Response list changed in 2022 to include rentals, as such declines may be due to change in answer list.

Region:

A number of regional differences persist in 2022. More specifically:

- Canadians living in the Territories continue to be less likely to have data included in their wireless plans in compared to other regions (81% vs 90-91%) and are much more likely to pay overage fees compared to the rest of Canada (48% vs 33-19%);
- Quebeckers are also less likely to have data included in their plan compared to other regions (excluding the Territories) in Canada (82% vs 90-91%), less likely to experience bill shock (12% vs. 19-28%) and less likely to have made a complaint in the last 12 months compared to other Canadians (6% vs 16-24%);
- Quebeckers are also more likely to have individual plans than those who live elsewhere (72% vs 63-68%);
- Canadians living in Ontario and Alberta are more likely to bring their own device compared to those living in other regions (52% vs 32-34%); and
- Atlantic Canadians are more likely to have a tab balance compared to Canadians living in other regions of Canada (62% vs 34-52%).

Income

Income also plays a role in the differences between Canadians wireless plans and behaviours. In particular those with household incomes of less than $60K:

- Continue to be less likely to have data included in their plan (80-84% vs. 91-95%).
- Are more likely than those with higher household incomes to have individual plans (75-76% vs 60-63%) likely a function of having a smaller household and thus lower need for a family plan.

Ethnic and Cultural Origins:

Significant differences exist between racialized (Canadians who self-identify as belonging to a racial or cultural group that is not White) and non-racialized Canadians (Canadians who self-identify as White). Specifically, compared to their non-racialized counterparts, racialized Canadians:

- Are less likely to find data management easy (79% vs. 86%; 5, 6 or 7 on a scale of 1-7);
- Are more likely to have experienced bill shock (32% vs. 16%); and
- Are less likely to feel informed about the role and mandate of the CRTC (70% vs. 59%; not very well/not informed).

Indigenous people are similarly more likely to have experienced bill shock (33% vs. 18%) and are more likely to say their opinion of the CRTC has declined over the past year (25% vs. 13%) compared to their non-Indigenous counterparts.

Television Service Provider Code

Clarity of television service provider contracts has remained consistent over the last four years with over half of Canadians continuing to report they find their TV contracts clear and easy to understand (60%; rated 5, 6 or 7 on a scale from 1-7).

The number of Canadians who report being aware of the basic service package has fallen (-24%) with slightly less than one-third (31%) of Canadians reporting they are aware of the basic service package. We note that the question was modified this year to include the basic pricing parameters of $25 set by the CRTC in order to more accurately measure if Canadians were aware of these plans.

The level of complaints has increased slightly (+3%) with one-in-four reporting having made a complaint about the TV services in the past 12 months. The main reasons for complaint include inadequate quality of service (29%), followed by price change without consent (14%), service not working (13%), and incorrect charge (10%).

Internet Code

The large majority of Canadians subscribe to home Internet service (93%). Canadians that do not subscribe tend to be older (75+), with lower incomes (<40K), or Indigenous.

Two thirds of Canadians are continuing to report they find their Internet contracts clear and easy to understand (65%; rated 5, 6 or 7 on a scale from 1-7) though more than a quarter (27%) have made a complaint about their internet services within the last 12 months. The main reasons for complaint include inadequate quality of service (30%), followed by losing Internet connection / signal / poor reception (24%), Internet was slow / slow speed (19%), and Internet / Email not working (11%).

CRTC

Canadians' understanding of the mandate and role of the CRTC has increased slightly over the past year with 38 per cent considering themselves very well/well informed about the CRTC. Impressions of the CRTC have remained steady since 2019 and continue to remain more positive than in Fall 2016 (33% vs. 29%; rated 4 or 5 on a 1-5 scale), especially among those who are well informed (49-54% vs. 13-17%). Given that impressions of the CRTC have remained steady, it follows that most Canadians say their impression of the CRTC has not changed (78%). Where opinion has changed, it has declined significantly over previous year. Thirteen per cent report a decline in opinion in 2022 compared to 5% in 2021.

Strategic Implications

The results of this research continue to demonstrate that the Wireless Code continues to have positive impacts on Canadians, and that changes to the Wireless Code in 2017 and 2019 have addressed a number of issues identified in previous research. It also provides information to be considered for future updates of the Wireless Code, the Television Service Provider Code, and the Internet Code.

1. The majority of Canadians' wireless plans now include data, with an increasing number of Canadians now purchasing unlimited data plans. Among Canadians who continue to purchase limited data plans, managing data usage is nearly universal. This finding suggests that the Wireless Code is increasingly effective at supporting consumers manage their wireless data usage. Additional research may be required to understand why some demographic groups (18–64-year-olds) continue to pay data overages to understand if this is by choice (i.e., they purchase a package with lower data and choose to pay-as-you go on an as an when needed basis) or not. Further, understanding what drives reduced data inclusion in some regions (Quebec and the Territories) will also help CRTC to understand if this is an area which may need further attention.
2. Similar to last year, given the ongoing COVID-19 restrictions that began in March 2020, it is important to consider which factors may have been impacted by restrictions, rather than driven by changes to the Wireless Code. Among significant differences year over year, the following are suggested as potentially impacted by COVID-19:

- A continued increase in perceptions related to the ease of data management along with a continued reduction in paying data overage fees in 2022 may be driven by Canadians increased time at home, where many Canadians are presumably able to use their home Internet rather than using their wireless data plan;
- A further reduction in the proportion of Canadians reporting data overage fees as a reason for bill shock is also likely driven by more time at home and increased use of home Internet rather than wireless data plan. Similarly, international roaming fees have decreased as a stated reason for bill shock, almost certainly due to travel restrictions.
- A number of changes have been noted that may be related to the economic hardships that many Canadians have experienced due to COVID-19. In particular, the increase in bill shock due to billing errors may be due to Canadians paying more attention to invoices, the increased importance of cost as a factor in changing providers and the increase rates of BYOD.

Thus, understanding which fluctuations are maintained in 2023 and beyond will be an important step in analyzing the ongoing effectiveness of the Wireless Code.

3. Improvements to understanding trial periods and associated cancellation fees have improved significantly but continue to be a source of confusion for many Canadians. This suggests that may continue to be an area for the Wireless Code to support consumers.
4. While clarity of contracts has remained stable over the last four years, a dramatic reduction in awareness of the basic service package was observed in 2022, based on a new approach to measurement, suggesting service providers could improve in ensuring Canadians are aware of basic service package including price or associated package. Further, complaints have increased slightly mainly due to service quality and costs/billing issues. Again, financial impacts of COVID-19 may be at play in relation to the complaints.
5. While overall impressions of the CRTC have remained stable in 2022, an increase in the number of Canadians reporting a decline has occurred. It will be important to watch this moving forward and should it continue, further research into what is driving the decline may be needed.

1.4 Methodological Overview

For tracking purposes and comparability over time, most questions remained the same or similar to the ones used for the 2021 Wireless Code POR survey, some changes were made to the Internet services section in order to obtain more clarity around contract understanding and complaints.

A telephone survey was conducted among 1,570 Canadians aged 18 years and older; 1,415 with those who have their own wireless plan and 155 with those who do not have a wireless plan. Included in this sample were Canadians who reside in cellphone only households (n=599). This sample also included Canadians that are under contract with TV service providers (n=1,000).

Interviews were conducted using a combination of random digit dialling (RDD) for the landline sample frame and pre-screened cellphone only households (CPO) sample. Since this survey included pre-screened sample, it is considered a non-probability sample and as such margin of error does not apply and conclusions from these results cannot be generalized to any population.

A pre-test consisting of 10 completed English interviews and 10 completed French interviews was undertaken on January 10, 2022. No changes were made after the pre-test and as such the data were included in the final data set. The survey was in field from January 11 – January 25, 2022.

A detailed methodology can be found in Chapter 4.1.

Please note: Analysis was undertaken to establish the extent of the relationship among variables such as gender, age, region, level of education attained, language spoken, household income, type of plan (family vs. individual; prepaid vs, postpaid; employee; limited vs. unlimited data; tab contract), ease of managing data, recall of Television Service Provider code, informed role of the CRTC, complaints, bill shock, CPO sample, Indigenous and ethnicity/cultural origins. Only differences significant at the 95% confidence level are presented in this report. Any differences that are statistically significant between subgroups are indicated with an uppercase letter to refer to the applicable column.

The numbers presented throughout this report are rounded to the closest full number. Due to this rounding, in some cases it may appear that ratings collapsed together are different by a percentage point from when they are presented individually, and totals may not add up to 100%. Also, the data for 2014 and 2015 was taken directly from the 2014 and 2015 Wireless Code Public Opinion Research reports. Kantar has incorporated these results as well as results from Spring and Fall 2016, 2017, 2018, 2019, and 2020 research into the 2021 report for year-over-year comparison where applicable.

1.5 Contract Value

The total contract value for the project was **$121,967.37** including applicable taxes.

1.6 Statement of Political Neutrality

I hereby certify as a representative of Kantar that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standing with the electorate or ratings of the performance of a political party or its leaders.

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