

The Usage Limits of Mobile Internet Services: Information and Protection of Consumers

Executive summary
June 2013

Mobile Internet has the wind in its sails. Not only is this service gaining popularity year after year, but it is also a major source of profits for Canadian wireless service providers: revenues from wireless services show the fastest increase in Canada's wireless telecommunications sector. Indeed, the widespread adoption of smart phones and tablets appears to guarantee a bright future for mobile Internet service, among all those skillful enough in the new technologies to take advantage of it without facing nasty surprises. Doubtless this is mobile Internet's Achilles' heel: a very popular and much appreciated service, until users hit a wall of restrictive usage limits that are complex to manage.

Of course, Canadian consumers are already, to a certain extent, used to the necessity of managing the restricted use of a telecommunications service. Residential Internet access services are very rarely offered on an unlimited usage basis. But mobile Internet involves all kinds of usage limits and terms of use that are much more substantial, as well as overage charges that are much higher than for wired services. Surprise charges can quickly proliferate for smart phone users. Default activation of mobile Internet service on telephones, and the fact that some features or applications automatically access the Internet, are only two of a great many surprise factors.

Even for the most seasoned users, it can be a particularly complex undertaking to find ways not to exceed a package's usage limits. A poll we conducted of experienced users appears to demonstrate that a large proportion of mobile Internet users don't know certain basic concepts related to Internet access on a mobile platform, in addition to having difficulty evaluating the bandwidth used by their wireless device. In fact, consumers are frustrated by the low usage limits and the substantial charges they sometimes incur when using mobile Internet in Canada or abroad. They told us they need help: more help to understand mobile Internet operation, the way service rates are currently set, and how to avoid overage charges.

Our analysis of the documentation offered by wireless service providers will also demonstrate that consumers can find it very difficult navigating the providers' brochures and websites. Not only does the exhaustiveness of information provided on these subjects vary greatly from one medium to another, but when available the information is very rarely displayed in a way that attracts attention. With long footnotes and their minuscule characters, page sections camouflaged by default, user-unfriendly dissemination of information, technical terms difficult to understand for the uninitiated, there is no doubt that consumers find it particularly arduous to quickly find the information they need. Relevant information on mobile Internet is not necessarily found within sections that a consumer will tend to consult before purchasing a device or entering into a contract.

The wireless service providers told us they make efforts to inform consumers adequately. But they expect the latter to ask them the right questions so that they may then give appropriate

La force d'un réseau

Nos membres réguliers

ACEF ABITIBI-TÉMISCAMINGUE
ACEF AMIANTE – BEAUCE – ETCHÉMIN
ACEF DE L'EST DE MONTRÉAL

ACEF DE L'ÎLE-JÉSUS
ACEF DE LANAUDIÈRE
ACEF DU NORD DE MONTRÉAL
ACEF ESTRIE

ACEF GRAND-PORTAGE
ACEF MONTRÉGIE-EST
ACEF RIVE-SUD DE QUÉBEC
ACQC

6226, rue Saint-Hubert, Montréal (Québec) Canada H2S 2M2
T : 514 521 6820 | Sans frais : 1 888 521 6820 | F : 514 521 0736
union@consommateur.qc.ca | www.consommateur.qc.ca/union

answers. Thus, the standards of the various providers and retailers, regarding information offered at the moment of entering into an agreement, are excessively variable. So consumers may acquire a device that can almost instantly be used, without knowledge of the rudiments for avoiding surprise invoices due to unsolicited mobile Internet usage or to exceeding the usage limit prescribed in the package.

Certainly, consumers are responsible for obtaining information, but currently they bear a heavy burden. The practice of instantly offering them very popular services that are complex to manage leads us to recommend more-rigorous standards for disclosing information to consumers. Our research will also demonstrate that if service providers want to preserve their highly lucrative business model, they must be more proactive in their manner of informing consumers before the purchase of a mobile device, before and after the contract is entered into.

Our research has highlighted multiple potential solutions to better inform consumers about mobile Internet services. Many foreign lawmakers and regulatory authorities have established stricter information rules: mandatory disclosure of information about mobile Internet before a purchase, systematically sending a free summary of services offered before the contract is entered into, and offering a panoply of tools for rigorously monitoring mobile Internet usage... These are just a few solutions among a range of measures that should be established on behalf of consumers. With great profits come great responsibilities. Canadian wireless service providers, the CRTC and provincial legislatures all have a role to play in better regulating what could prove to be the future of Internet access: World Wide Web connections through devices connected to cellular networks.

French version available.

Union des consommateurs has received funding from Industry Canada's Contributions Program for Non-profit Consumer and Voluntary Organizations. The views expressed in this document are not necessarily those of Industry Canada or of the Government of Canada.