

STATES OF JERSEY



JT (JERSEY) LIMITED: ADMINISTRATIVE CHARGES

Lodged au Greffe on 9th March 2017
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Treasury and Resources, as the shareholder representative, to urge JT (Jersey) Limited not to implement planned administrative charges for customers wishing to continue to receive paper bills or make non-direct debit payments.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

In a leaflet entitled “Changes to the way customers pay and receive their bill”, issue 1, 7th February 2017, JT state that they have made a decision to introduce a charge of £1.25 to send customers a paper bill and a £1.25 charge if customers have a direct debit set up with JT. these charges will come into effect on 28th April.

The company goes on to state that it “does not want any customer to pay any more money”. However, by its own admission, it is aware that an increase in charges is likely for a significant number of its customers, namely the 20%+ of its customer base not using e-bills or paying by direct debit.

JT, despite the introduction of competition to the market, remains the dominant provider of telecom services, so can surely afford to continue to offer discount deals if it wishes to encourage a change of behaviour towards e-bills and payments. The statements from JT that they have no choice in this matter need to be challenged –

“Given the competitive markets we operate in, we have no choice but to deliver our services in the most efficient manner possible.

The only remaining option is to follow what our competitors are doing”.

And we all thought that competition was supposed to bring prices down, not ramp them up. The comments from the Channel Islands Competition and Regulatory Authority (“CICRA”) are revealing –

“There is a valid argument that such charges improve efficiency ... It is open to JT to introduce such charges outside the price control mechanism”.

CICRA thus washes its hands of the issue and allows the market leader to increase its charges unopposed.

The decision, despite contact and engagement with Age Concern, Jersey Consumer Council and Trading Standards, has been made to raise charges. JT knows it will affect some of its customer base. The only question is, who will it affect? Largely the impact will be felt by 2 groups –

- (1) those with no access to and/or no skills with computing and e-tech, including many of the elderly; and
- (2) those who have had credit problems and no longer have access to a bank account which permits the full range of services such as direct debits.

Both of these groups include many people who could be described as vulnerable. Let us examine the case of those on Primetalk, who have been selected to have a need for subsidised telephone access: a longstanding arrangement agreed by the States. They currently pay £27 a year for this service. Under the proposals as they stand, this may more than double to £57 annually.

Is this what States Members wish to support? I hope not, but again in the words of JT –

“If they (the customers) remain unhappy, they do have the choice to move to another operator.”.

Financial and manpower implications

There are financial implications for JT (Jersey) Limited, but there are no financial or manpower implications for the States, arising from this proposition.