

3.9 The Connétable of St. John of the Minister for Treasury and Resources regarding charges levied by J.T. for customers to receive a paper bill or to pay by cheque: [1(102)]

Will the Minister advise what action, if any, he will take to ensure any charges levied by J.T. for customers to receive a paper bill or to pay by cheque do not discriminate against elderly people who are not computer literate?

The Connétable of St. Peter (Assistant Minister for Treasury and Resources - rapporteur):

First of all, I will not go through the preamble before, I will go straight into the question but before I do that, we are not discriminating against elderly people, the charges will be rolled out across the board to all J.T. customers with fixed-line services. J.T. management decided to work early on this and inform elderly groups like Age Concern - we met with Age Concern, I believe with Senator Ferguson as well - to advise them of the proposals which they are rolling out first with people on Prime Talk and they will be extended out across the rest of the J.T. fixed telephone network as well. Most of the questions that came up before, and within this particular question as well, we are talking about people who are not computer literate but there is an alternative to computers and it is called direct debit, what they now refer to as smart direct debit. You just set it up with your bank and the company only deducts what is required from your monthly direct debit account so they can avoid charges by doing that. So it is not about computers; there is an option to do it without computers literally by giving your bank the option to do direct debit, what they call smart direct debits. The feeling I think this morning in the Chamber is J.T. is being targeted as being very harsh in the way they deal with their customers. I think it might be useful if I just go through what other people are doing. For example, Sure, they will charge you £1.50 for your bill and £1.50 with paper bill. Airtel will not take cash or cheques; direct debit or you do not have a service. If you want a bill it is £2 for an itemised bill. J.E.C. (Jersey Electricity Company), it is built into your account before you get it but if you want to pay it by direct debit they will give you £1 discount. Jersey Water similarly it is built into your charge when you get it ...

The Deputy Bailiff:

Connétable, you were allowed a lot of leeway in your answer to the earlier question. You have now gone over the time normally allocated for an answer to this one.

The Connétable of St. Peter:

I will look forward to the Constable's supplementary.

3.9.1 The Connétable of St. John:

On the radio, the Assistant Minister said they needed the profits from J.T. to pay for the ageing population. What better way than allowing some of this money to be used for the elderly to reduce the anxiety of having to go online or having to pay the additional charges?

The Connétable of St. Peter:

I think I answered that in my preamble. They do not need to go online, they can do it by direct debit and avoid all the frustration altogether.

3.9.2 Deputy K.C. Lewis:

As billing is already factored into the telephone bills for J.T. this is extra revenue which could surely offset this charge for people who do not wish to have computers. Regarding to direct debit, a lot of people are very traditional and would rather companies, including J.T., did not

use their bank account as some kind of self-service buffet that they can dip into once a month. Does the Minister not agree?

The Connétable of St. Peter:

No, I do not agree, and certainly what I do not agree with is the fact that they are already being charged that. The charges have not been included at all. I will take your caution, Sir, as the case is before the Royal Court with C.I.C.R.A. and J.T. over their charging mechanisms. What J.T. are trying to do is get themselves on to a level platform with the other competitors they are working with in Jersey. At the moment, the ruling from C.I.C.R.A. is they are required to decrease their charges by R.P.I. (Retail Price Index) minus 6.5 per cent for the next 2 years to bring them down. But C.I.C.R.A. also acknowledge the fact that they have totally ignored the £1.2 million Prime Talk discounts that is being suffered by J.T. They also do not recognise the other work that has been done by J.T. to provide the panic button that people wear that links for the frail and vulnerable people. J.T. provide that service free of charge to people living in their own homes. These are services which are not provided by any other telephone company in Jersey and the normal line payer are paying for those for them. Thank you.

3.9.3 Deputy R. Labey:

Could I ask the Assistant Minister to clarify a point for me that he made earlier because I was a little confused? Is he really claiming that the fixed-line network does not make a profit for J.T.?

The Connétable of St. Peter:

I have to pass on that one because I have not asked for the profit on that particular line. All I do know is that this issue has been predicated on the decision of C.I.C.R.A. imposing charge reductions on J.T. which is making it non-viable. What the current profit is on it, I do not know. Thank you.

3.9.4 Deputy M. Tadier:

Does the Assistant Minister regret his comments on local radio recently where he essentially said: "Because we get back some shareholder revenue from this, I am quite happy with the £1.50 charges, et cetera, that are being levied by Jersey Telecom"?

The Connétable of St. Peter:

No.

3.9.5 Deputy M. Tadier:

He does not regret it? Does he agree that the public increasingly are seeing these charges because it is an entirely States-owned company as stealth taxes and what the Minister said on the radio is quite right, that these revenues can be considered indirect stealth taxes because he himself said they go to pay for things like elderly healthcare which I am sure the pensioners who have been complaining to all of us will be very pleased and reassured to hear.

The Connétable of St. Peter:

The charges offset losses. The figure that has just come to me that J.T. at the moment lose around about £500,000 a year on the fixed-line network and that will increase with the C.I.C.R.A. decisions. Sorry, I have forgotten the last part of your question, Deputy.

3.9.6 Deputy A.D. Lewis:

Does the Assistant Minister feel that this could have been handled slightly differently? This has taken up a huge amount of management time and resource for a comparable small amount

of saving. My understanding of the reason for this was to encourage people to go on to direct debit which saves a lot of time in administration. Could it not have been done a different way like the J.E.C. and like the new water works company did in that they offered a discount to have this alternative method of paying their bill rather than an extra charge? It would have the desired effect of encouraging more people to go online or direct debit but without distressing those that got an extra charge that they did not want to have. Does the Assistant Minister feel that this has been handled in a way that it could have been done perhaps better?

The Connétable of St. Peter:

I think the issue, certainly if you look at it simplistically, that would be a good option. However, to have done that, J.T. would have had to increase its line charges to compensate for the cost of sending out bills and taking payments by cheque or cash. For example, if the banks charged J.T. £1.89 for every cheque that they process, and these are the hidden costs that we do not see, if J.T. were to include those costs on top of your fixed-line network to enable you to give a discount, they would put themselves outside the market against other operators in Jersey and that is what they are trying to get to. There is a level playing field. I have told you what the charges are and how they are embodied with the other operators, J.T. wants to be in that same place.

3.9.7 Deputy A.D. Lewis:

A supplementary? We are talking about a minimal discount of £1.20 to encourage people to go on to direct debit with a huge saving in administration to have people on direct debits, so surely it would have been a saving and you would have achieved the objective without distressing everybody.

The Connétable of St. Peter:

I think what the Deputy is asking: would they absorb that £1.20? They are already losing money on the fixed-line network so, no, they cannot do that.

3.9.8 Deputy J.M. Maçon:

As was explained to me by one of my constituents, her reluctance to go on to direct debit was her concern that she said frequently she has to query the bill raised by J.T., frequently it gets changed and therefore she does not want to go on to direct debit because therefore that opportunity really would not be there or at least the money would have already gone. Therefore, does the Assistant Minister not acknowledge that for members of our community, direct debit is not an option given that that is the situation?

The Connétable of St. Peter:

Yes, I do acknowledge that there are probably very few people who cannot, for whatever reason, do not have a bank account, cannot access direct debit. As I said in my first answer to the first question, J.T. will find a solution wherever possible but the Deputy does raise a good point. They do have issues sometimes with their billing, and people need to be able to monitor that, and that is something which I have raised with the chief executive and the chief officers only in this last week. Thank you.

3.9.9 The Connétable of St. John:

Does the Minister acknowledge that Jersey Telecom was originally set up using taxpayers' money and as a result it has a social responsibility to the community? Will he therefore ensure that Jersey Telecom is reminded of that when making such changes?

The Connétable of St. Peter:

Absolutely, right. They make £1.2 million worth of social contribution every year for the Prime Talk network. They further support 760 vulnerable and infirm subscribers with what they call the Horizon pendants. That is all free of charge; they do make a social contribution. Thank you.