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# Complexity of telco billing systems leads to mistakes, billing verification company says

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The billing systems of Canada's major telecommunications companies have become too complex for their own good, Patrick Connolly, president of **UTR Global**, a billing verification company, says.

"Their billing is too complex even for them [the companies] to understand," Connolly said in an interview.

"We think that the billing is only going to get more complex, more multifaceted and that the vendors are going to come out with programs that make it equally as complicated."

Connolly said the component and feature-driven billing systems, which are popular in North America, lead to the majority of billing errors. In wireless, for example, customers can be charged for voice minutes, texting, data usage and roaming.

Connolly said Canadian telecom companies need to restructure how they charge for services to simplify billing systems.

"At some point in time, somebody in Canada is going to come out and say, 'Hey, we're just going to drive revenue based on customers using our devices and that's it,'" he said.

Michael Janigan, executive director of consumer group the **Public Interest Advocacy Centre** (PIAC), said in an interview it may be profitable for telcos to continue billing per service component.

"The explosion of wireless services with a whole lot of different kinds of charges, plans and packages leave open the prospect of incorrect billing," he said.

"I think ultimately all these little wrinkles are ones that the companies have found are profitable to maintain."

Janigan said the government should adopt some "common sense rules" to ensure that billing is more transparent. He said the European Union, for example, has caps on roaming charges and has rules in place to warn wireless customers when they are about to go over their data caps.

But Telus Corp. spokesman Jim Johannsson said in an interview the company has taken steps

to simplify billing for its customers.

“We simplified the number of rate plans we offer,” he said.

“We’ve broadened them out to include common features such as unlimited weekend and evening calling, free long distance between family members, buckets of text messaging, web browsing and other add-on services.”

Telus also introduced a program called “Data Done Right” that automatically bumps customers to the next available data plan if they are about to go over their monthly wireless download cap. Johannsson said going to the next available plan usually ends up being less expensive than paying overage charges.

**MTS Allstream** spokeswoman Gillian Giesbrecht said billing errors are a rare occurrence for the company.

“Although we do have billing errors from time to time we have very few relative to the number of bills that we actually provide to customers,” Giesbrecht said in an interview.

She added that MTS Allstream immediately tries to correct any billing errors by providing their customers with credit to address the mistake.

Howard Maker, the **Commissioner for Complaints for Telecommunication Services (CCTS)**, said billing mistakes also pop up because of human error.

“They [customer service representatives] may or may not be well trained, and they may or may not understand all the consequences of every entry they make,” Maker said in an interview.

The CCTS handles customer complaints for telecommunications services when a resolution could not be reached with the service providers themselves.

Last year the CCTS received 3,700 complaints and 44 per cent of those were about billing errors.

“It really is the bane of the industry as far as I can tell,” Maker said.

Maker said his organization finds a variety of mistakes in people’s phone bills.

“They mischaracterize the service that people buy, sometimes they get the amounts wrong, sometimes there are transactions on there that didn’t happen,” he said.

Maker said ensuring that customer service representatives receive proper training can go a long way in avoiding billing errors.

Janigan said the care of existing customers has become an afterthought for telecom services providers.

“The telecommunications companies as a whole are oriented toward marketing and attracting new customers. The care and billing of customers they already have seems to be a lesser

priority,” he said.

But Maker said it is cheaper for the service providers to keep existing customers than to attract new ones. He added that companies are for the most part responsive to their customers when he considers the small percentage of total complaints that make their way to the CCTS as a last resort.

But residential customers aren't the only ones who find errors on their bills; businesses contend with the same issue, but on a larger scale.

In September UTR Global, which is based in Englewood Cliffs, N.J., but has an office in Toronto, launched a software application called Audit Assistant that “basically automated 19 years worth of telecommunications manual audit practices.”

The program, available to business clients at a cost of \$30,000, analyzes phone and wireless bills for potential overcharges. The program produces a detailed cost report the business client can send to their service provider.

Connolly said that since UTR was founded in 1991, every major financial institution in North America has used its services. The company also has clients in government, the oil and gas industries and the manufacturing sector.

Business clients typically have monthly telecommunications bills of no less than \$50,000 per month.

Connolly said his service usually generates 10 to 15 per cent savings on those bills.

“Although we've had some homeruns that have been 20 to 25 per cent [in savings],” he said.

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