

Mobile Phone Contracts...

What You Should Know

A mobile phone contract is a legal agreement between you and a mobile phone company (a service provider).



The **Wireless Code** sets out terms a contract must include and rules for service providers.

The Code applies to customers and service providers across Canada. It was created by the **Canadian Radio-television and Telecommunications Commission (CRTC)**, which regulates and supervises broadcasting and telecommunications in Canada.

Contract Terms

The Wireless Code says a contract must be clear and understandable. A contract must also include:

- a list of all **services** included (such as voice, text and data)
- **prices** for services and whether they include taxes. This includes cancellation fees, overage charges for services, optional services rates, and one-time costs.
- the **commitment period** and if the contract will automatically extend month-to-month after the contract expires.
- the amount of any **security deposit** and all conditions (including when it will be returned). The service provider must also tell you why they are requesting the deposit, keep record of these reasons, and review each year the need for the deposit. They can apply the deposit to amounts overdue and ask you to top up the security deposit. The service provider must return the security deposit to you within 30 days after the contract is cancelled or after the conditions for return are met.
- **where to find information** on pay-per-use services, the device manufacturer's warranty, tools to help you manage your bill (including on data usage and roaming), how to contact customer service, how to make a complaint about wireless services, and the Wireless Code.

To read more about
the CRTC visit
<https://bit.ly/3yAgQdr>



An **overage charge** is a fee for going over the use limits of your contract. **Data roaming charges** apply to voice calls, texts and data you receive or send from outside of your coverage area.

The contract must also include a **Critical Information Summary** as the first pages or a separate document. This Summary must include the key terms of the contract, including monthly charges, any trial period, limits on services you buy on an unlimited basis, etc.

The service provider must give you a **copy of the contract**. (This rule does not apply to pay-as-you-go and prepaid cards.) If you agree to the contract in person, the service provider must give you a copy of the contract right away. If you agree some other way, such as phone or online:

- if you want a paper copy, you must receive it within 15 days of signing the contract, or
- if you want an email copy, you must receive it within one business day after signing the contract.

You may **cancel the contract** within 30 days of receiving it without paying an early cancellation fee or any other penalty if:

- you do not receive the contract in time, or
- the terms and conditions of the contract are not what you agreed to.

For contracts with an early cancellation fee, you can cancel the contract without penalty during the **trial period** if:

- you have used less than the trial period limits for voice, text and data, and
- you return the device in near-new condition and with original packaging.

The standard trial period is at least 15 days and the limits are half of the monthly plan's usage. Customers with a disability must receive a 30-day trial period with limits twice those of the standard trial period.

If you want to cancel the contract at any other time, you must notify your service provider. You may have to pay a cancellation fee.



There are more rules for service providers when dealing with persons with disabilities, including a longer trial period.

Rules for Service Providers

Service providers must:

- suspend **data overage charges** once they reach \$50 in a single monthly billing cycle unless you agree to pay more
- suspend national and international **data roaming charges** once they reach \$100 in a single billing cycle unless you agree to pay more. They must also let you know, at no charge, if the device is roaming in another country.
- give you at least 90 days' notice before the end of the commitment period saying if the contract will **extend automatically on a month-to-month basis**
- give you any device **unlocked** (meaning it is not locked to the service provider's network)
- tell you about the manufacturer's **warranty** on the device before offering you extended warranty
- suspend your service at no charge for **lost or stolen devices** after you let them know. You must pay all charges up to that point and the cancellation fee if you cancel the contract. If you find your device, the service provider cannot charge you to restore service.
- suspend charges if your device is being **repaired** if all the following are true:
 - You ask for the suspension.
 - The service provider gave you the device under the contract.
 - You returned the device to the service provider for repairs.
 - The device is under the manufacturer's or service provider's warranty.
 - The service provider did not give you a free replacement device to use during the repair.
 - You would have to pay an early cancellation fee if you cancelled services.

Service providers cannot:

- charge overage charges for, or limit the use of, **unlimited services** (unless the limit is clearly set out in the fair use policy)
- **change the key terms of the contract** without your consent unless the change benefits you. A benefit can be reducing the rate or increasing your usage allowance for a single service. They can change the other terms of the contract or related documents (such as privacy policies and fair use policies) after giving you at least 30 days' notice of the change.

Service providers can **disconnect** your services in some situations, usually after giving notice to you. Read your contract for more information. Reasons for disconnection include:


- If you do not pay your account for more than two months.
- If you owe more than \$50 on your account.
- If you do not give the service provider a security deposit when they ask for one.
- If you have agreed to a deferred payment plan and then do not follow the plan.



To read the Wireless Code visit <https://bit.ly/36pKBSI>

Filing Complaints

If you have a problem with your service provider, contact the **Commission for Complaints for Telecom-Television Services (CCTS)**. The CCTS is Canada-wide organization that helps resolve complaints about telecommunications and television services.



For more information on the CCTS, including how to file a complaint, visit <https://bit.ly/3xqnJOH>

More Resources

CRTC information on cell phone services:

crtc.gc.ca/eng/phone/mobile/

Service Alberta information on consumer protection and complaints:

<https://bit.ly/3xrhXvY>

CPLEA free legal information on consumer law topics:

www.cplea.ca/publications-and-resources/consumer-law/

You should not rely on this publication for legal advice.