CCTS ANNOTATED GUIDE TO THE DEPOSIT AND DISCONNECTION CODE

Version: 2.0| updated July 2025

TABLE OF CONTENTS

Abbreviations **3**

Introduction **3**

How the CCTS uses industry codes of conduct in its day-to-day operations and how the CCTS reports on the codes *3*

Important Considerations *4*

Regulatory Context for the D&D Code: 4

CCTS' approach to administering the D&D Code and evidentiary requirements to prove Code obligations were met 4

How to read this Annotated Guide 5

Article 1 – General **5**

Annotation (Article 1 - General) 5

Article 2 – Deposits **5**

Annotation (Article 2 – Deposits) 6

Issue 1: How are security deposits calculated? (Article 2.1) 6

Issue 2: What evidence should a provider retain to demonstrate it has met its obligations in relation to a security deposit? (Article 2.2) 6

Issue 3: When must a service provider return a security deposit? (Article 2.3) 7

Article 3 – Disconnection of Services **8**

Annotation (Article 3.1 – Grounds for disconnection of services) 9

Annotation (Articles 3.2 to 3.4 - steps the D&D code requires a provider to follow to disconnect a customer for non-payment "Disconnection cycle") 9

Issue 4: What evidence does a provider need to submit to the CCTS in order to demonstrate that it provided the customer with Code-compliant notice? 11

Issue 5: Partial interruptions to prompt collections are suspensions or disconnections for the purposes of The D&D Code 11

Issue 6: What constitutes "Reasonable Notice" for the purpose of Article 3.2? 12

Issue 7: 14-day notices must indicate a specific disconnection date 12

Issue 8: If a customer fails to fulfil a payment arrangement, can the provider suspend or disconnect services without additional notice? 12

Issue 9: What are exceptional circumstances for the purposes of disconnections outside of the permitted time frames in Article 3.4? 13

Issue 10: Can a provider disconnect a customer's service for unpaid amounts in dispute? 14

Issue 11: What is a disconnection in error? 14

Appendix A **15**

ABBREVIATIONS

The following abbreviations appear throughout this document:

CCTS	Commission for Complaints for Telecom-television Services
CRTC	Canadian Radio-television and Telecommunications Commission
D&D Code	Deposit and Disconnection Code
VoIP	Voice over Internet Protocol

INTRODUCTION

In 2011, the Canadian Radio-television and Telecommunications Commission (**CRTC**) approved a mandatory code of conduct that applies to all home telephone services, regardless of technology (e.g. copper wire or internet [VoIP]), provided by service providers operating in areas where the CRTC has forborne from regulating price, terms, and conditions of service, which are most service areas in Canada.[1]

As explained in Telecom Decision CRTC 2011-702, the purpose of the Deposit and Disconnection Code (**D&D Code**) is to provide clear direction about when and how a service provider may disconnect a customer's home phone service for failure to pay, and the requirements a service provider must meet if it chooses to require a deposit as a condition of offering service. This D&D Code provides safeguards to ensure reasonable customer access to telephony services, particularly for customers who may be vulnerable, such as customers with poor credit history.

HOW THE CCTS USES INDUSTRY CODES OF CONDUCT IN ITS DAY-TO-DAY OPERATIONS AND HOW THE CCTS REPORTS ON THE CODES

When the CCTS investigates customer complaints about telecom and TV services, our Procedural Code requires us to determine if the service provider reasonably met its responsibilities to the customer.

---

[1] In Telecom Decision CRTC 2011-702, the CRTC approved the draft D&D Code submitted by the CRTC Interconnection Steering Committee (CISC) working group that had been tasked with developing the Code.

The D&D Code is one of four mandatory CRTC consumer protection codes of conduct that set minimum standards for service provider practices. The CCTS also administers the Wireless Code, Internet Code and Television Service Provider Code.

The CRTC mandated the CCTS to administer the D&D Code as part of its complaint-handling process. This mandate includes a reporting component. Consequently, the CCTS records and reports on all issues raised by customers, including any allegations that a provider failed to comply with applicable Codes of Conduct. The CCTS calls these allegations "alleged breaches" of the Code. The vast majority of complaints are resolved to the satisfaction of the customer and the provider during the initial stage of our process. When complaints are resolved, there is no need for us to investigate underlying issues, including determining if there have been any violations of a code of conduct. Therefore, these issues remain recorded as "alleged breaches" and are categorized as "not requiring investigation."

In cases that we do investigate, the CCTS evaluates the information and supporting documents provided by the customer and the service provider to determine whether the provider reasonably performed its obligations, including those in applicable Codes of Conduct. If a provider is unable to demonstrate that it fulfilled its Code obligations, the CCTS reports and tracks the complaint as a "confirmed breach." When we investigate and determine that there has **not** been a violation, we categorize this as "no breach."

The CCTS publishes the number of alleged and confirmed breaches for each CRTC consumer protection code in the CCTS' Mid-Year and Annual Reports. A summary of confirmed breaches of the D&D Code in prior years are listed in Appendix A.

IMPORTANT CONSIDERATIONS

Please note the following important considerations when consulting the CCTS Annotated Guide to the D&D Code:

REGULATORY CONTEXT FOR THE D&D CODE:

The CRTC approved the D&D Code in Telecom Decision 2011-702. In Telecom Regulatory Policy 2019-269, the CRTC confirmed the symmetry of the disconnection notification requirements in the Wireless Code, the Internet Code and the D&D Code to ensure customers would be subject to the same principles for all telecommunications services included in their bundles. As a result, the CCTS may consider regulatory policies regarding wireless service, such as Telecom Regulatory Policy 2015-376 and for Internet service when interpreting the disconnection provisions in the D&D Code.

CCTS' APPROACH TO ADMINISTERING THE D&D CODE AND EVIDENTIARY REQUIREMENTS TO PROVE CODE OBLIGATIONS WERE MET

When investigating a complaint, the CCTS assesses whether the provider named in the complaint reasonably fulfilled its obligations to the customer, including whether it met its requirements under the D&D Code.

It is the provider's responsibility to retain and provide the CCTS with evidence that it met its obligations to the customer. Providers should retain evidence for at least 18 months, which is the maximum time that a customer has to file a CCTS complaint after learning of an issue in accordance with section 10.5

of the [Procedural Code](). A provider's failure to retain evidence could result in its inability to demonstrate that it met its Code obligations. In these circumstances, the CCTS may determine that the provider has breached the Code.

HOW TO READ THIS ANNOTATED GUIDE

This Annotated Guide includes case examples that summarize the facts necessary to illustrate a breach of a specific Code section and are based on actual complaints that have been filed with the CCTS. Case examples are included to illustrate the CCTS' expectations for providers under the D&D Code. This Annotated Guide explains common areas of non-compliance and provides insight into how the CCTS approaches interpretation of the D&D Code.

ARTICLE 1 – GENERAL

*1.1 This Deposit and Disconnection Code ("**Code**") applies to residential primary exchange services ("**Services**") provided by the Company in forborne market. References to time and statutory holidays in the Code refer to the customer's local time and statutory holidays.*

ANNOTATION (ARTICLE 1 - GENERAL)

The D&D Code applies to the primary exchange service, more commonly referred to residential home telephone service in a telephone exchange (geographic area) that is not regulated, or "forborne" by the CRTC.[2] The D&D Code does **not** apply to residential home telephone services provided in a telephone exchange regulated by the CRTC.

The D&D Code does **not** apply to small business telephone services, or mobile wireless services.

ARTICLE 2 – DEPOSITS

2.1 If the Company chooses to offer the option of a deposit, the total amount of any deposit provided by or for a customer to the Company in relation to the Services shall not exceed the sum of:
   (a) three months of anticipated charges for the Services; and
   (b) the total cost of any equipment provided by the Company to customer in respect of the Services.

2.2 If the Company requests a deposit, the Company shall provide the customer with the reasons for requesting a deposit and shall keep a record of those reasons for as long as the Company is holding the customer's deposit.

2.3 The Company shall review the continued appropriateness of the customer's deposit at six-month intervals. When the Services are terminated or the conditions that originally justified the deposit are no longer present, the Company shall promptly refund the deposit, with interest calculated in accordance with Section 2.4, retaining only any amount then owed to it by the customer.

2.4 For the purposes of Section 2.3, the interest on the customer's deposit shall be calculated, using at the Company's discretion either:

[2] https://crtc.gc.ca/eng/publications/forbornelist.htm

(a) the overnight rate of the Bank of Canada that is then in effect plus 1.25%, on the basis of the actual number of days in a year, being 365 or 366, as the case may be, accruing on a monthly basis, or

(b) the deposit interest rate applicable to deposits for regulated Services in the Company's CRTC approved tariffs if the Company has such tariffs.

ANNOTATION (ARTICLE 2 – DEPOSITS)

A provider may use security deposits to mitigate the risk of loss due to non-payment. Article 2 of the D&D Code sets out the maximum amount a provider can request for a security deposit and the requirements for returning the security deposit to the customer.

ISSUE 1: HOW ARE SECURITY DEPOSITS CALCULATED? (ARTICLE 2.1)

The maximum security deposit a provider can request from a customer is the total of:

1. three months' charges for all home phone services, including anticipated long distance[3] and any additional calling features, such as voicemail and caller-ID; and
2. the cost of any equipment provided for use of the service.

Case example – Confirmed breach of Article 2.1

Facts

Following the disconnection of their home phone service in January, a customer was required to pay a $200 security deposit as a condition of being reconnected. The customer refused to pay and complained to the CCTS.

Analysis:

Article 2.1 of the D&D Code provides the formula for calculating the maximum deposit that a provider can demand from a customer. The customer's monthly rate was $25.95 + taxes, and the customer did not incur any equipment use fees in the 12 months leading up to their complaint. Therefore, the maximum deposit that the provider was entitled to request was $87.97 (3 x $25.95 + taxes).

Conclusion:

We confirmed that the provider had breached Article 2.1 of the D&D Code because it demanded a security deposit that exceeded the maximum amount permitted by the D&D Code. We explained this to the provider and it adjusted its deposit request accordingly.

ISSUE 2: WHAT EVIDENCE SHOULD A PROVIDER RETAIN TO DEMONSTRATE IT HAS MET ITS OBLIGATIONS IN RELATION TO A SECURITY DEPOSIT? (ARTICLE 2.2)

A provider must be able to produce evidence that it disclosed to the customer the reasons for requiring a security deposit and retain those reasons for the period the deposit was required, as set out in Article

[3] The D&D Code obligations were developed from the regulated terms of service of the Incumbent Local Exchange Carriers: CRTC TD 87-7 at paragraph 7.4: "At no time may the total amount of all deposits and alternatives provided by or for an applicant or customer exceed three months' charges for all services, including anticipated LONG DISTANCE charges."

2.2 of the D&D Code. Providers should also retain evidence that the security deposit was returned to the customer when the conditions for refund have been met. A provider can demonstrate that it met its Code obligations through account notes, correspondence with the customer and other documentation showing it maintained the security deposit and disclosed the reasons for requiring it.

A provider is required to review a customer's security deposit at six-month intervals and to return the deposit when the conditions that originally justified it are no longer present. A provider can demonstrate that it met its Code obligations through account notes, correspondence with the customer or other documentation showing it reviewed the deposit, the results of the review and evidence that the security deposit was, or was not, appropriately returned to the customer.

ISSUE 3: WHEN MUST A SERVICE PROVIDER RETURN A SECURITY DEPOSIT? (ARTICLE 2.3)

A provider is required to return a customer's security deposit when:

1. the conditions that originally justified the deposit are no longer present; or
2. the service is cancelled.

Case example – Confirmed breach of Article 2.3

Facts:

In June, a customer ordered home phone service and was required to provide a $250 security deposit. The provider's technician went to the customer's home to install the service but was unable to complete the installation. The customer never received service from the provider. The customer requested a refund of the $250 security deposit, but the provider did not provide it. A few months later, the customer complained to the CCTS that the provider still had not refunded the security deposit.

Analysis:

The provider was not able to demonstrate that it mailed the security deposit refund cheque to the customer. The customer ended up getting the deposit back by the end of September and the complaint was resolved.

Conclusion:

We confirmed a breach of Article 2.3 because the customer's service was cancelled and the provider failed to promptly refund the customer's security deposit.

Case example – No breach of Article 2.3

Facts:

The customer signed up for home phone service. The provider required that the customer provide a security deposit of $300 to be returned upon six consecutive months of on-time payments. The customer alleged all their bills were paid on time and asked the provider to refund the security deposit but the provider refused. The provider alleged that the customer had not paid their bills on time, and this was the basis for the refusal to return the deposit.

Investigation:

The provider submitted documentation to demonstrate the customer did not pay all of their bills on time to support the reason the deposit was not returned. Therefore, the

CCTS concluded that the provider was not obligated to refund the security deposit until after the customer had paid their bills on time for six consecutive months.

Conclusion:
We concluded that the PSP had not breached the D&D Code.

ARTICLE 3 – DISCONNECTION OF SERVICES

3.1 *If the grounds for disconnecting the customer are failure to pay, the Company may disconnect a customer's service only where the customer:*

- *(a) fails to pay an account of the customer that is past due, provided it exceeds fifty dollars or has been past due for more than two months;*
- *(b) fails to provide or maintain a reasonable deposit or alternative when required to do so pursuant to this Code; or*
- *(c) agreed to a deferred payment plan with the Company and the customer fails to comply with the terms of a deferred payment plan.*

3.2 At least 14 days prior to disconnection, unless the circumstances contemplated in Sections 3.3(b) or 3.3(c) exist, the Company must provide reasonable notice to the customer, stating:

- *(a) the reason for the proposed disconnection and the amount owing (if any);*
- *(b) the scheduled disconnection date;*
- *(c) where the reason for disconnection is a failure to pay, the availability of a deferred payment plan if the Company typically offers such plans;*
- *(d) the reconnection charge, if any; and*
- *(e) the telephone number of a Company representative with whom the disconnection or any dispute may be discussed.*

If the customer has provided the Company with an email address where they can be notified and where the customer has provided express consent to this form of notification in relation to disconnection, the Company may elect to provide the disconnection notice by email to such email address.

3.3 At least twenty-four hours prior to disconnection, the Company must advise the customer that disconnection is imminent, except where:

- *(a) repeated attempts to advise the customer of imminent disconnection have failed;*
- *(b) immediate action must be taken to protect the Company from network harm;*
- *(c) the Company has a reasonable suspicion that fraudulent activity has occurred, is occurring, or is likely to occur with respect to customer's Services (For the purposes of this section and the Code generally, a failure to pay arrears for the Services is not, by itself, to be considered "fraudulent activity"); or*
- *(d) otherwise required by the order of a competent public authority.*

3.4 Except with customer consent or in exceptional circumstances, disconnection may occur only on weekdays days between 8 a.m. and 9 p.m. or on weekends between 9 a.m. and 5 p.m., unless the weekday or weekend day, as applicable, precedes a statutory holiday in which case disconnection may not occur after 12 noon.

3.5 Where it becomes apparent that disconnection occurred in error or was otherwise improper, the Company must restore the Services during business hours on the next working day, at the latest, unless exceptional circumstances do not permit this, and no reconnection charges shall be levied.

3.6 The Company may not disconnect the customer's Services where there is a dispute regarding the basis of the proposed disconnection, provided:

(a) payment is being made for the undisputed portion of the Services; and

(b) the Company does not have reasonable grounds for believing that the purpose of the dispute is to evade or delay payment.

3.7 If the customer has a dispute relating to the disconnection of Services, the reason for the disconnection of Services, or any other issue relating to a deposit, and the customer has not been able to resolve the dispute with the Company, the customer can lodge a complaint with the Commissioner for Complaints for Telecommunications Services Inc[4]. (CCTS), an independent third-party complaints resolution service. Information about the CCTS is available at www.ccts-cprst.ca or by calling 1-888-221-1687.

ANNOTATION (ARTICLE 3.1 – GROUNDS FOR DISCONNECTION OF SERVICES)

Article 3.1 describes the circumstances in which a provider may disconnect a customer's home phone service for non-payment or failure to maintain a reasonable deposit. It sets out the required notice period and the information that a provider must give to a customer before disconnecting their service.

A service provider can begin the process of disconnecting a customer's service if the customer:

1. fails to pay an account that is past due for more than two months;
2. fails to pay an account that is past due for less than two months if the amount owing exceeds $50;
3. fails to provide or maintain a reasonable deposit; **or**
4. agreed to a deferred payment plan with the provider and the customer fails to comply with the terms of a deferred payment plan.

ANNOTATION (ARTICLES 3.2 TO 3.4 - STEPS THE D&D CODE REQUIRES A PROVIDER TO FOLLOW TO DISCONNECT A CUSTOMER FOR NON-PAYMENT "DISCONNECTION CYCLE")

Articles 3.2 to 3.4 describe the process by which a provider may temporarily suspend and/or permanently disconnect a customer's service for non-payment.

Suspension and disconnection are defined in the Internet Code and the Wireless Code as follows:

> **Suspension**: A temporary halt in service that can result from a lack of payment or hitting a pre-determined spending or usage limit. The customer's account and contract remain in force during service suspension.
>
> **Disconnection**: The termination of services by a service provider.

[4] This was the corporate name when the D&D Code was issued. A Certificate of Amendment was issued September 1, 2017, changing the corporate name to Commission for Complaints for Telecom-television Services Inc. /Commission des plaintes relatives aux services de télécom-télévision inc.

Consistent with Telecom Decision CRTC 2015-376, a provider typically must notify a customer **twice** prior to disconnection service for failure to pay regardless of whether the provider interrupts the customer's service through "suspension" or "disconnection." This process is referred to as the **disconnection cycle**.

Step 1 – Service provider delivers 14-day notice to the Customer (Article 3.2)

When any of the grounds set out in Article 3.1 of the D&D Code are met, a provider may commence the disconnection cycle by providing the customer with a minimum of 14-days' notice of suspension or disconnection, as the case may be, for non-payment. The notice must specifically advise the customer of the imminent risk of a service suspension or disconnection if payment is not received. Article 3.2 of the D&D Code details the specific information required in the notice, all of which must be included in the notice.

If the customer pays before the scheduled suspension or disconnection date, the issue is considered resolved and the disconnection cycle is completed. A fresh 14-day notice is needed to commence a new cycle before a new suspension or disconnection can occur.

If a customer fails to pay the outstanding balance, the provider can proceed to Step 2 and deliver a 24-hour notice to the customer.

Some customers may enter into a payment plan with their provider to pay the outstanding balance over time. If a customer fails to make the payments according to the payment plan, the provider may be able to suspend the customer without any additional notice. In order to do so without notice, the payment plan must clearly state the terms leading to further suspension or disconnection if the customer fails to fulfill the payment plan. However, if the provider wishes to disconnect the service, the provider must provide 24-hour notice, even if the customer failed to fulfil the payment plan.

If a customer pays or enters into a payment arrangement and fulfills it after receiving the 14-day disconnection notice but prior to the 24-hour notice, the disconnection cycle ends. If the provider wishes to disconnect the same customer for non-payment in the future, the provider must start a new disconnection cycle based on fresh and valid grounds starting with a new 14-day notice. (See Issue 8 below for further clarification.)

Step 2 – Service provider delivers 24-hour Notice to the customer (Article 3.3)

Article 3.3 of the D&D Code generally requires the provider to send a second notice to the customer a minimum of 24 hours prior to the scheduled suspension or disconnection date.

Article 3.3 provides limited exceptions to the requirement to provide 24-hour notice.

Step 3 – Suspension or Disconnection (Article 3.4)

The provider suspends or disconnects service on the scheduled suspension or disconnection date.

If the provider 's notice is specific to a suspension of service but does not mention the possibility of disconnection, fresh 14-day and 24-hour notices are required to move from a suspension of service to a permanent disconnection.

ISSUE 4: WHAT EVIDENCE DOES A PROVIDER NEED TO SUBMIT TO THE CCTS IN ORDER TO DEMONSTRATE THAT IT PROVIDED THE CUSTOMER WITH CODE-COMPLIANT NOTICE?

A provider can demonstrate to the CCTS that it provided a customer with Code-compliant notice by submitting a completed copy of the suspension or disconnection notice(s) it sent to the customer along with evidence of where, when, and how the notice(s) were sent.

Providers often submit templates of their standard 14-day disconnection notices to demonstrate that they provided Code-compliant notice to a customer. A standard template, without supporting documentation that demonstrates what information was populated in the template actually sent to the customer is insufficient to demonstrate that all the specific information required by Article 3.2 was provided. A provider can demonstrate that it provided a customer with a Code-compliant notice by submitting its standard template and other supporting documents, such as account notes, that show it provided notice to the customer populated with the information required by Article 3.2, such as the correct amount owing and the scheduled disconnection date. If a provider does not provide complete information, the CCTS will confirm a breach of Article 3.2 of the D&D Code.

The D&D Code does not require any specific information to be included in a 24-hour notice. Nevertheless, the provider should be able to demonstrate that its communication with the customer informed the customer of the impending disconnection. A provider can demonstrate that it informed a customer of impending disconnection through call notes, call recordings, or a transcript of the communication with evidence that it was communicated.

ISSUE 5: PARTIAL INTERRUPTIONS TO PROMPT COLLECTIONS ARE SUSPENSIONS OR DISCONNECTIONS FOR THE PURPOSES OF THE D&D CODE

In Telecom Decision CRTC 2015-376, the CRTC confirmed that the disconnection rules apply to all service interruptions for collections purposes apart from reaching a pre-established credit limit.[5] Consistent with the decision, collection measures that partially interrupt service, such as restricting outgoing calls and redirecting calls to collections agents are considered suspensions of service for the purposes of the D&D Code.[6] Providers are therefore required to provide customers with Code-compliant notices prior to interrupting the service for collections purposes.

Case example – Partial interruption - Confirmed breach of Articles 3.2 and 3.3

Facts:

The customer complained that the provider suspended their home phone service in November and ultimately disconnected the service in January without providing any notice of either event.

Analysis:

The CCTS investigated the complaint. During the investigation, we reviewed a recording of a phone call between the customer and the provider. During the call, the provider informed the customer that a "block" had been placed on the account on November 7, due to non-payment. Although intermittent, the block interfered with the customer's ability to use the service consistently and reliably. Therefore, we considered the block to be equivalent to a suspension for non-payment.

[5] Telecom Decision CRTC 2015-376 at para 5.

Invoices confirmed that the customer's overdue balance was more than $50 and was past due for more than two months. However, the provider was not able to demonstrate that it provided the customer with a suspension or disconnection notice 14 days prior to blocking the service. The provider also conceded that it had not notified the customer at least 24 hours prior to the block.

Conclusion:
We confirmed breaches of Articles 3.2 and 3.3 of the D&D Code because the provider failed to demonstrate that it had provided Code-compliant notice to the customer at least 14 days and 24 hours prior to applying the partial block, a form of suspension, and prior to the disconnection of the home phone service. The CCTS also confirmed breaches of Article 3.2 and 3.3 because the provider did not notify the customer prior to their suspension in November and disconnection in January. The service provider's failure to notify the customer about the suspension of service prevented the customer from using the service reliably or addressing the issue with the provider to prevent further late fees. Given this, the CCTS required the provider to credit the monthly service charges and late payment fees incurred from November to January.

ISSUE 6: WHAT CONSTITUTES "REASONABLE NOTICE" FOR THE PURPOSE OF ARTICLE 3.2?

A provider must provide notice to a customer using the contact information it has on file. Typically, the CCTS reviews the provider's account information summary to ascertain whether the contact information the provider has on file is accurate. The CCTS will also review account notes or, in cases of phone contacts, call recordings or transcripts, to determine if notice was provided to the customer. If the information does not match, or the provider cannot demonstrate sending the notice, the CCTS will confirm breaches of Articles 3.2 and 3.3 of the D&D Code.

ISSUE 7: 14-DAY NOTICES MUST INDICATE A SPECIFIC DISCONNECTION DATE

In Telecom Regulatory Policy CRTC 2009-424, at paragraph 13, the CRTC clarified that the purpose of disconnection and deposit requirements is to set fair terms and conditions that provide customers with a reasonable opportunity to access, and maintain access, to the provider's network. Customers should be certain of the date on which a provider will interrupt their services. The CCTS expects service providers to suspend or disconnect the customer's service on the date specified on the notice, or as close as reasonably possible, but not before. Providing customers with a range of dates within which the disconnection may occur creates uncertainty and does **not** satisfy the requirement in Article 3.2(b) of the D&D Code.

If a provider fails to disconnect the customer's service on the specified disconnection date, the provider must provide fresh 14-day and 24-hour notices with the revised disconnection date.

ISSUE 8: IF A CUSTOMER FAILS TO FULFIL A PAYMENT ARRANGEMENT, CAN THE PROVIDER SUSPEND OR DISCONNECT SERVICES WITHOUT ADDITIONAL NOTICE?

The CRTC clarified in Telecom Decision CRTC 2015-376 at paragraphs 30 and 33 that when a disconnection cycle has commenced with a 14-day notice, if a customer then enters into a payment arrangement and is made aware of the specific terms leading to further suspension, no further 14-day or 24 hour notice is required to suspend the service. However, if the 14-day notice includes notice about the suspension of service and further disconnection of service and the provider seeks to disconnect the service, the provider is required to give 24-hour notice of the disconnection of service if the payment arrangement is not satisfied.

Case example – Confirmed breach of Article 3.3

Facts:

The customer had an overdue balance in excess of $50 and the amount was overdue by more than two months. The provider included a notice of suspension and disconnection in the customer's May 16 invoice, notifying the customer that if payment was not received by the specified date, service would be suspended and disconnected 7 days later.

On May 29, the provider and customer entered into a payment arrangement under which the customer could avoid the disconnection of service by paying their balance in full by May 31. During the call, the provider informed the customer that the suspension originally scheduled for May 31 would be extended to June 5 to allow for receipt and processing of the payment.

The customer failed to pay the balance in full by May 31. The provider permanently disconnected the customer's service for non-payment on June 7.

Analysis:

The provider's notice starting the disconnection cycle complied with the required notice period and contained all the necessary elements. The notice also informed the customer that if the payment issue was not resolved by the suspension date, a permanent disconnection would be scheduled for 7 days later. However, the provider did not provide the customer with 24-hour notice of the permanent disconnection that occurred on June 7.

Conclusion:

We confirmed a breach of Article 3.3 of the D&D Code because the provider failed to demonstrate that it had provided the customer with a minimum of 24 hours' notice for the permanent disconnection of service on June 7. The customer's failure to satisfy the payment arrangement did not relieve the provider of the obligation to provide 24-hour notice for the permanent disconnection of the service.

ISSUE 9: WHAT ARE EXCEPTIONAL CIRCUMSTANCES FOR THE PURPOSES OF DISCONNECTIONS OUTSIDE OF THE PERMITTED TIME FRAMES IN ARTICLE 3.4?

Article 3.4 of the D&D Code permits a provider to disconnect a customer's service outside of the prescribed time frames if the provider has obtained customer consent, or exceptional circumstances exist.

In CRTC Telecom Decision 86 – 7 the CRTC confirmed that "exceptional circumstances" include situations where there is imminent risk of network harm, or suspected fraud that requires a service provider to act quickly to protect its network.

ISSUE 10: CAN A PROVIDER DISCONNECT A CUSTOMER'S SERVICE FOR UNPAID AMOUNTS IN DISPUTE?

Article 3.6 of the D&D Code prohibits a provider from disconnecting a customer's service if the customer disputes the basis for the proposed disconnection and the customer has paid all undisputed portions of the charges, unless the provider has valid reasons to believe the customer dispute is to evade payment or delay payment of outstanding amounts, for example, if the provider has evidence to demonstrate that the customer has not participated in attempts to resolve the dispute.

> **Case example – No breach of Article 3.6**
>
> **Facts:**
>
> Facts: A provider suspended a customer's home phone service in January. It explained to the customer that it did so because she had an unpaid balance of over $1,300 on her account. She had previously called the provider and disputed some of the charges on her bills.
>
> **Analysis:**
>
> After we investigated the complaint, the provider demonstrated that the customer had not paid all of the undisputed portions**.**
>
> **Conclusion:**
>
> We concluded there was no breach of Article 3.6.

ISSUE 11: WHAT IS A DISCONNECTION IN ERROR?

Article 3 of the D&D Code applies to disconnections for non-payment. In most cases, if a provider disconnects a customer in error, the CCTS will not conclude that the provider has breached the D&D Code.

Article 3.5 requires providers to correct disconnections in error quickly. The CCTS would confirm a breach of Article 3.5 of the D&D Code in these two scenarios:

1. The provider charges a customer a reconnection fee after disconnecting the customer in error; or,
2. The provider fails to restore services during business hours on the next working day, at the latest, following the disconnection in error and there are no exceptional circumstances that would prevent the provider from doing so, for example, a weather event causing widespread service outages.

APPENDIX A

The following table provides a summary of confirmed breaches of the D&D Code in prior years.

The vast majority of complaints are resolved to the satisfaction of the customer and the provider during the initial stage of our process. When complaints are resolved, there is no need for us to investigate the underlying issues, including determining if there have been any violations of a code of conduct. Given that we investigate fewer cases to confirm if there has been a code violation, we advise caution in the use of confirmed breach numbers for analysis about systemic code compliance.

Code Article	2012-13	2013-14	2014-15	2015-16	2016-17	2017-2018	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total breaches per section
2.1			1										1
2.2		1											1
2.3	3			1								1	5
2.4													0
3.1	2	1			1			1					5
3.2	8	4	7	11	6	3		7	3	1		2	51
3.3	6	4	8	10	6	3		1	2	1		2	42
3.4				3									3
3.5	1		2								1		4
3.6	3	1	1										5
Total Breaches per year	23	11	19	25	13	6	0	9	5	2	1	5	117