

Our Ref. MCA-LEG/mb/14-1903 (LEG 417)

17<sup>th</sup> July 2014

The Chief Executive Officer  
Melita plc  
Mriehel Bypass  
Mriehel BKR 3000

Sir,

**Subject: Decision following letter of warning dated 13<sup>th</sup> June 2014 about alleged non-compliance with termination procedure requirements**

Reference is made to the letter of warning dated 13<sup>th</sup> June 2014 sent by the Malta Communications Authority ['MCA'] to Melita plc ['Melita'] and to the response dated 26<sup>th</sup> June 2014 sent on behalf of Melita.

The MCA has considered the submissions made by Melita in its response to the letter of warning, the facts made known to the MCA and the relevant provisions of the law notably of SL 399.28 of the Laws of Malta.

In the first instance the MCA notes that Melita does not contest the fact that the service was not terminated on the date requested by customer ( [REDACTED] ) – in this case that relating to the provision of TV and fixed telephone services. Melita however argues that what it describes as a "delay" in processing customer's request "did not impact in any way the customer's rights as per contract of service".

The MCA does not agree and considers that Melita did not act correctly with regard to the customer in question. Factually it results that though the customer had notified Melita in writing that she was terminating the services in question, Melita notwithstanding billed her for the said services. MCA does not agree that the customer's rights as per contract of service were not impacted since effectively customer's request was initially ignored, thereby undermining the customer's right to terminate the contract in accordance with regulation 36 of SL 399.28. Customer informed MCA that she had communicated with Melita both by e-mail and by phone to rectify matters, but to no avail.

MCA notes that matters were eventually rectified and that customer's account was disconnected and any amount billed in excess credited to customer, however this was done **only** after MCA's intervention. MCA cannot but not express its concern that in this case it had to intervene directly so that matters were rectified, when verification by Melita should have demonstrated that the customer had effectively already notified Melita that she was terminating the services in question and that therefore the account should have been disconnected and customer not charged for the services consequently terminated.

Melita attempts to justify its stance by stating that it processes a large number of disconnection requests on a daily basis. This however does not justify Melita's failure to process customer's request to terminate the services in question in good time – in particular Melita fails to give any valid reason as to why it issued a bill in relation to the services which should have been terminated to the customer concerned AFTER the customer had duly notified Melita that she was terminating the services in question and this in line with Melita's own procedures. Regrettably Melita addressed matters only after the MCA communicated with Melita in order to rectify matters. Significantly Melita fails to explain why the disconnection request was processed after the issue of the bill in question and not before. The point here in issue is that such shortcomings should not occur and should in any case be addressed without the need of any intervention by the MCA. The MCA in this context further notes that as per a letter dated 25<sup>th</sup> October 2013 addressed to the MCA, Melita expressly stated that "it does not charge beyond the end of the notice period".

In this regard, reference is made to the applicable provisions of the Law notably regulations 36(1) and 38(1) of SL 399.28 of the Laws of Malta. The MCA considers that Melita in persisting with the continued provision of the unrequested services and subsequent billing for such services, was acting contrary to the law by charging for a service notwithstanding that the customer had expressly notified Melita that she was terminating the service in question, effectively undermining the right given at law to customers to terminate at any time the contract of service entered into and continuing to charge for a service that was no longer required by the customer. The MCA considers that if service operators continue to provide services which have effectively been terminated by a customer then the rights at law given to the same customer – in this case that of terminating a service contract in line with the provisions of regulation 36 – will be rendered ineffective.

In such circumstances the MCA considers that the imposition of one thousand euro (€1000) is justified and therefore is imposing such a fine on Melita.

Yours,



Paul Edgar Micallef  
Chief Legal Advisor  
**Malta Communications Authority**

Cc:

*Dr. Theresienne Mifsud – Head of Legal & Regulatory Affairs - Melita Plc*