

# Bell to pay \$10 million to end suit

Phone company to pay back customers under settlement  
Charged for long-distance calls they believed were free

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Bell Canada has agreed to pay up to \$10 million to hundreds of thousands of customers who were charged for long-distance calls they believed were free.

About 7 million customers will be notified via bill inserts they may be entitled to some of the money, provided they were a long-distance customer with Bell before Sept. 27, 2000.

The reimbursement is part of a class-action settlement related to Bell's First Rate long-distance product. The First Rate plan, sold for \$20, originally promised "unlimited" long-distance calling within Canada on weekends and between 6 p.m. and 8 a.m. during the week.

According to the suit, Bell, the country's largest phone company, did not provide adequate notice to customers when it put an

800-minute cap on the plan in the fall of 2000 and narrowed the weekday call window to 8 p.m. to 6 a.m., stripping away two hours of free calling each day.

"Someone who made a call at 7:30 a.m. expecting to make a free call, would have been charged the daytime rate," said lawyer David Thompson of Hamilton-based Scarfone Hawkins LLP. Anybody who exceed-

ed the minute cap would be charged an additional 10 cents per minute, he noted.

Bell's only notice to customers was a small message on the bottom of each bill. Courts in Ontario and Quebec, by certifying the class-action last year, signalled that a higher standard of notification is necessary when companies change their terms of services — a practice commonly known as "bait and switch."

Scarfone Hawkins, representing Ontario claimants, and Montreal-based law firm

Lauzon Bélanger, representing Quebec customers, began negotiating a settlement with Bell in early 2003 after the courts certified the class-action suit.

"Companies have to be held to a relatively high standard because consumers are vulnerable and can be easily preyed upon when the notice is deficient," Thompson said.

He said the settlement sends a message to other large service providers to take greater care to ensure customers are treated fairly when an offer's conditions are changed.

The settlement is not an admission of liability on the part of Bell and none of the allegations have been proven in court.

"Many people have already been reimbursed," said a Bell spokesperson, who added the company will not comment further on the settlement.

Toronto telecom consultant Eamon Hoey said Bell has changed its management style since the suit was launched and seems more conscious of customer expectations.

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## Bell settles long-distance class-action

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"They're not only meeting the level of their offers, but also meeting the spirit of it," Hoey said. "They've learned some bitter lessons in the past."

He said as large service providers such as Bell begin offering advanced products, such as broadband voice services, they will have to put greater effort into highlighting offer conditions.

"The limitations of their services are going to have to be well spelled out," Hoey said.

Thompson said an estimated 750,000 Bell customers in Ontario and Quebec are eligible for reimbursement under the settlement.

Current customers, representing about 66 per cent of the class-action members, will receive an automatic credit on their telephone bill.

Former Bell customers can get a pre-paid long-distance calling card if they apply before Sept. 8. The necessary forms can be found online at [www.bell.ca/classaction](http://www.bell.ca/classaction).

After all its customers have been reimbursed, the terms of the settlement instruct Bell to donate any leftover money to charity.