TELECOMMUNICATIONS DISPUTE RESOLUTION PANEL

Activity report 2024



Bundesnetzagentur

Telecommunications dispute resolution panel Activity report 2024

Report prepared in compliance with section 34(1) of the Act on Alternative Dispute

Resolution in Consumer Matters (VSBG) and section 4 of the Ordinance on the Obligations to Furnish and Report Information as per the Consumer Alternative Dispute Resolution Act

(VSBInfoV)

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Foreword

The telecommunications dispute resolution panel brought about numerous out-of-court settlements between customers and telecommunications companies again in 2024, with an agreement rate of 47%.

The panel received more requests for dispute resolution in 2024 than ever before. The 2,534 requests for a dispute resolution procedure to be opened constituted a nearly 10% rise in submissions, illustrating the sustained, high level of interest in alternative dispute resolution.

Many customers with a problem are hesitant to go to court on account of the often high costs and lengthy proceedings. Yet there is still a great need for assistance from a neutral party. In many cases, a dispute resolution procedure at the telecommunications dispute resolution panel is a fast, economical opportunity to settle a conflict with a telecommunications company. The large number of agreements achieved before the telecommunications dispute resolution panel proves that it can certainly be worthwhile to turn to the panel if the requirements for a procedure are met. In the dispute resolution procedure, the panel balances the opposing interests of the two sides and seeks to offer a solution to the conflict that is acceptable to both parties.

The proportion of cases where the company in question refuses to take part in the procedure dropped slightly in the reporting period, indicating that the companies, too, view the work of the panel as helpful. Experience has shown that the majority of telecommunications companies tend to make generous, customer-friendly offers right at the start of the procedure.

A third (35%) of dispute resolution requests in 2024 concerned the content and implementation of contracts. Other common sources of dispute included faults and billing issues.

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1 Telecommunications dispute resolution panel of the Bundesnetzagentur

The telecommunications dispute resolution panel of the Bundesnetzagentur is an official consumer conciliation body under the Act on Alternative Dispute Resolution in Consumer Matters (VSBG).

Founded in 1999, it mediates as a neutral body in disputes between telecommunications companies and their customers. It acts in disputes arising from telecommunications contracts and related to the consumer protection provisions of the German Telecommunications Act (TKG). It aims to help parties reach a mutually acceptable solution so as to avoid a legal dispute before the courts.

The dispute resolution panel provides regular information about its work in the Bundesnetzagentur's annual reports and activity reports. In this activity report, it fulfils its legal obligation to provide information under section 34(1) VSBG in conjunction with section 4 of the Ordinance on the Obligations to Furnish and Report Information as per the Consumer Alternative Dispute Resolution Act (VSBInfoV) with regard to the reporting period 2024.

Further information on the telecommunications dispute resolution panel and the dispute resolution procedure, as well as the data that have to be provided under section 3 VSBInfoV, may be found (in German) at

https://www.bundesnetzagentur.de/schlichtung-tk.

2 The dispute resolution procedure

The telecommunications dispute resolution panel of the Bundesnetzagentur mediates in disputes related to the provisions listed in section 68 TKG. These are the provisions governing customer protection: sections 51, 52, 54 to 67 TKG and the determinations made on the basis of those sections, section 156 TKG, an ordinance having the force of law issued by virtue of section 52(4) TKG, the current EU Roaming Regulation and Article 4(1), (2), (4) and Article (5a) of Regulation (EU) 2015/2120.

Dispute resolution procedures deal with issues like disagreements on the content and implementation of telecommunications contracts, faulty telecommunication connections, contested items on bills, reduced data transmission speeds and disputes over moving a telecommunications connection, switching provider or disconnecting a telephone line.

The telecommunications dispute resolution panel conducts the dispute resolution procedures in line with the provisions of the VSBG.

Further details of the procedure are also set out in the dispute resolution rules (SchliO) based on the VSBG. The SchliO has been published on the Bundesnetzagentur's website:

https://www.bundesnetzagentur.de/schlichtungsordnung-tk-en

Anyone classed as an "end-user" can request the commencement of a dispute resolution procedure at the telecommunications dispute resolution panel. End-users are users who neither operate public telecommunications networks nor provide publicly available telecommunications services. They can request dispute resolution in the event of a dispute between them and a provider of publicly available telecommunications services or an operator of public telecommunications networks related to the provisions given above. There generally needs to be a telecommunications service contract between the two parties.1

The applicant also needs to show that they have already raised the disputed claim with the telecommunications company and tried unsuccessfully to reach agreement.

The dispute must not be pending in court or already have been the subject of a dispute resolution procedure.

If the dispute resolution request is admissible, the panel starts the dispute resolution procedure by sending the documents submitted by the applicant to the respondent. It asks both parties about the matter and gives them the opportunity to put forward their individual points of view on the dispute.

If the parties do not come to an agreement during the procedure, the dispute resolution panel proposes an amicable agreement. The proposal is an individual solution tailored to the situation of the two sides. The parties may accept the proposal of the panel but do not have to do so. Either way, the dispute resolution procedure is then terminated. If both sides accept the dispute resolution proposal, it becomes binding, like a contract. The proposal may differ from the outcome that would occur if the dispute went to court. Either party is free to reject the proposal and take the matter to court.

Participation in the telecommunications dispute resolution procedure is voluntary for both parties. Both the applicant and the respondent may request the dispute resolution procedure to be terminated at any time.

The parties in dispute are not charged for the dispute resolution procedure. Each party only bears the costs it incurs from participating in the procedure.

The language of the dispute resolution procedure is German. The dispute resolution procedure is conducted in text form, ie by letter, fax or email.

The telecommunications dispute resolution panel provides a dynamic form on its website that guides the applicant through their request with information about the role of the dispute resolution panel and the details the applicant needs to provide. There is also an online form available for applicants to communicate with the panel throughout the procedure.

¹ An exception is if the dispute concerns a matter relating to the provisions of section 54 or section 156 TKG, see section 1(2) sentence 3 SchliO.

Applicants unable to use the online form can also make their request by letter, fax or email using the PDF form provided by the dispute resolution panel on its website.

3 Evaluating the dispute resolution requests and procedures from 2024

3.1 Dispute resolution requests in 2024

The telecommunications dispute resolution panel of the Bundesnetzagentur received 2,534 requests to start dispute resolution procedures during the reporting year, which is the highest number in a year since the panel was founded in 1999. There was a rise of almost 10% from the 2,310 requests received in 2023, showing the continued high level of interest in dispute resolution.

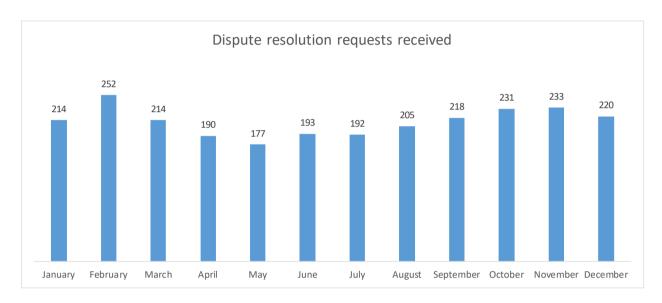


Figure 1: Dispute resolution requests received each month in 2024

In addition to the 2,534 dispute resolution requests, there were 673 other enquiries and requests for assistance. These were mostly requests for information by customers of telecommunications companies and enquiries about whether a particular circumstance could become the subject of a dispute resolution procedure.

3.2 Subjects of dispute resolution requests received in 2024

Over a third (35%) of dispute resolution requests in 2024 concerned the content and implementation of contracts. These included disputes relating to making or terminating contracts and contractual changes implemented unilaterally by the provider. Further examples are disputes relating to contract duration and customers' right to cancel contracts that have been automatically prolonged at any time with a one-month notice period after the expiry of the minimum period.

Further common sources of dispute included faults (23%), billing issues (12%) and reduced data transmission speeds (7%). There were also disputes related to moving premises (4%), switching provider (4%) and disconnections (1%).

A number of dispute resolution requests had to do with contract disputes that were not related to the TKG (12%).

In a few cases, disputes about other issues relating to telecommunications services and connections were brought before the dispute resolution panel.

Subject of dispute resolution requests

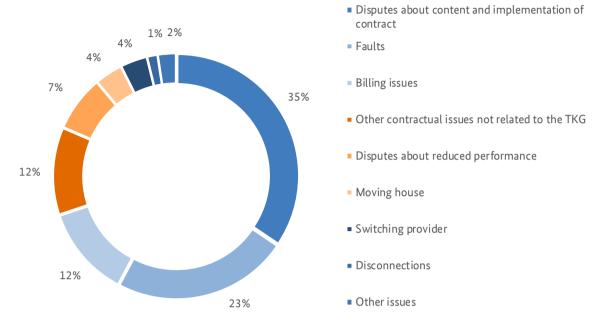


Figure 2: Subject of dispute resolution requests in 2024

3.3 Outcome of dispute resolution procedures in 2024

The telecommunications dispute resolution panel completed the processing of 2,206 procedures in 2024, 1,926 of which were admissible requests, ie the requirements for the commencement of dispute resolution procedures were met.²

3.3.1 Proportion of dispute resolution procedures in which the parties reached agreement

The parties in dispute reached agreement in 908 cases, which is 41% of terminated dispute resolution procedures. The agreement rate is actually 47% of those cases terminated in which the requests were admissible, of which the parties reached an agreement during the procedure in 867 cases.

The dispute resolution panel proposed a solution in 70 cases, of which 41 were accepted by the disputing parties.

3.3.2 Proportion of requests refused under section 14(1) and (2) VSBG in 2024

The dispute resolution panel refused a total of 280 inadmissible requests for dispute resolution.

Of the 2,206 terminated procedures, 13% of them were refused. The refusal rate was unchanged from the previous year.

Of the 280 refused requests for dispute resolution, 266 did not fall within the competence of the panel (section 14(1) para 1 VSBG). In 13 of those cases, the respondent was not able to be part of a dispute resolution procedure in accordance with section 68 TKG since it was neither a public telecommunications network operator nor a provider of publicly available telecommunications services.

The panel refused four requests because the applicant had not already asserted the disputed claim with the respondent (section 14(1) para 2 VSBG).

In eight cases, the applicant had already requested dispute resolution on the same matter (section 14(2) para 1 VSBG in conjunction with section 7(1) para 4 SchliO).

The dispute was already pending in court in two cases (section 14(2) para 2 VSBG in conjunction with section 7(1) para 3 SchliO).

3.3.3 Proportion of procedures with no outcome

Of the procedures terminated in 2024, 1,018 had no outcome.

In 576 of these, the respondent refused to take part in the dispute resolution procedure and did not offer a solution to the dispute. The proportion of procedures terminated in the reporting period (2,206) for which participation was refused was 26%. There was a slight decline in the proportion of participation refused from 29% in 2023.

² Admissible requests are those that the dispute resolution panel did not have to refuse, see section 3.3.2.

The experience of recent years has shown that the majority of telecommunications companies look at requests for dispute resolution closely and often use their first statement as an opportunity to show flexibility to customers and offer to resolve the issue. It seems likely that, of the cases in which telecommunications companies exercise their right to refuse to enter dispute resolution, these are mostly matters in which the companies do not consider that they have done anything wrong³ and/or do not see leeway for a result in the dispute resolution procedure.

In 413 cases, requests for dispute resolution were withdrawn by the applicant, in 307 of which the withdrawal was made even before the panel had considered the request.

In 29 cases, there was no agreement because at least one of the parties rejected the settlement proposed by the dispute resolution panel.

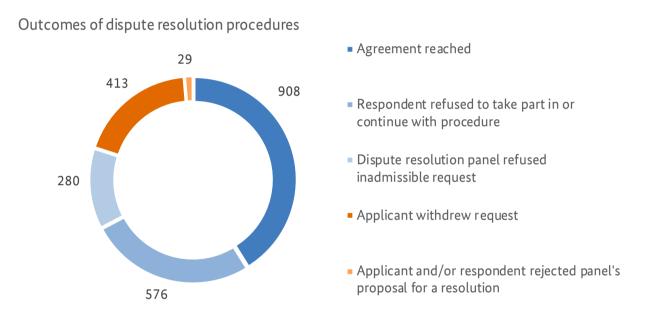


Figure 3: Outcomes of dispute resolution procedures in 2024

3.3.4 Average duration of procedures

In the reporting year, the average time for the procedure from receipt of the application at the Bundesnetzagentur to the conclusion of the procedure was just under nine weeks.

The average time from when all the documents needed for the procedure were complete until the dispute resolution proposal was made was five weeks.

³ Since the provisions of the TKG relevant to the dispute resolution panel were amended in the version of the law from December 2021, the panel has commenced a procedure as soon as it is clear that the dispute is related to those consumer-protection provisions. This means that requests for dispute resolution now lead to procedures being commenced in cases that would have been refused by the panel before the amendment as no breach of the relevant customer protection provisions by the telecommunications company can be identified. In 2021, the proportion of participation refused was 14%.

3.3.5 Proportion of cases in which the parties kept to the outcome of the procedure

The dispute resolution panel is not aware of the number of cases in which the parties do not keep to the outcome of the procedure. It does not ask if the parties keep to the agreement. There were fewer instances in this reporting period of applicants returning to the dispute resolution panel because the telecommunications companies failed to keep their agreements. In such cases, the dispute resolution panel contacted the companies in question and gave them the opportunity to implement the agreements made.

3.3.6 Proportion of cross-border disputes

The dispute resolution panel did not record any procedures regarding cross-border disputes in the reporting year.

4 Common problems

In accordance with section 4(1) para 2 VSBInfoV and section 34(3) VSBG, the dispute resolution panel should report on conspicuous business practices or draw attention to systemic failings or those that occurred particularly often during the reporting period and led to requests for dispute resolution.

An example of such a business practice last year for the dispute resolution panel was that one network operator switched to a different mobile network, leading to performance issues. Customers felt poorly informed about the change.

It was also noted that companies failed to keep appointments for the provision of fibre connections.

5 Recommendations for avoiding or resolving disputes

The dispute resolution panel welcomes the efforts made by telecommunications companies to continually improve the quality and accessibility of their customer service and to find and implement specific solutions for their customers from the first contact. An easily accessible and appropriately qualified customer service does not just help telecommunications companies and their customers to clear up disputes but can even prevent them from arising. However, if a provider's customer service is difficult to reach or does not fully resolve issues, or if customers do not feel they are being taken seriously, the business relationship is damaged. It is also helpful when customers receive full, binding and competent advice in the telecommunications companies' shops and when providers design their websites and contractual documents in a way that is transparent and understandable for their customers.

The dispute resolution panel recommends that customers make use of the information provided by telecommunications companies about their rates and services before signing a contract. Customers should read the contract summary given to them by the telecommunications provider before committing to a contract. It should be noted that if customers conclude a contract for telecommunications services on the phone, the contract only becomes effective when the provider has sent the customer the contract summary and the customer has then approved the contract in text form (such as by email).

Once the contract has become effective, consumers should check their bills and account statements regularly and, if they find a problem, contact their provider promptly. The deadline for raising objections is eight weeks, as set out in section 67(2) TKG.

The Bundesnetzagentur provides detailed information on consumer rights and dispute resolution opportunities on its website at

https://www.bundesnetzagentur.de/schlichtung-tk.

Well-informed consumers are better placed to know their rights and stand up for them if necessary.

Structural barriers to resolving disputes

The dispute resolution panel does not see any structural barriers to resolving disputes at the moment (section 4(1) para 4 VSBInfoV).

The telecommunications dispute resolution panel of the Bundesnetzagentur has been offering out-of-court dispute resolution since 1999. Its dispute resolution procedures have proven their worth.

Cooperation with other consumer conciliation bodies in networks to resolve cross-border disputes

The telecommunications dispute resolution panel has no cooperation with other consumer conciliation bodies in networks to resolve cross-border disputes (section 4(1) para 5 VSBInfoV) to report for 2024. The dispute resolution panel generally deals with disputes relating to the German Telecommunications Act, so no cooperation with other conciliation bodies to resolve cross-border disputes arose during the year under review.

Outlook 8

The TKG changes in December 2021, along with the considerable media coverage that accompanied them, led to a sharp rise in the number of requests received by the dispute resolution panel in 2022. In 2024, the level of dispute resolution requests remained high.

The accessible dispute resolution service is very easy for telecommunications customers, and indeed the companies themselves, and is therefore well-received. It avoids court cases and takes pressure off the judicial system.

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List of abbreviations

EU European Union

SchliO Dispute resolution rules of the telecommunications dispute resolution panel of the

Bundesnetzagentur

TKG Telecommunications Act

VSBG Consumer Alternative Dispute Resolution Act

VSBInfoV Ordinance on the Obligations to Furnish and Report Information as per the Consumer

Alternative Dispute Resolution Act

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