

Decision 14-12-052 December 18, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Moham Reza Reghabi,

Complainant,

vs.

Verizon California, Inc. (U1002C),

Defendant.

(ECP)

Case 14-06-007

(Filed June 13, 2014)

Moham Reza Reghabi, for himself, Complainant.

Hope Christman, for Verizon California, Inc., Defendant.

DECISION GRANTING RELIEF

Summary

Complainant, Moham Reza Reghabi, requests that the Defendant, Verizon California, Inc. (Verizon), reconnect any services that were disconnected at the time he filed this Complaint, and that he pay the same amount for these services as he had paid prior to the date that Verizon performed work to replace his copper phone line with fiber, "plus \$10.00." Complainant had responded to a letter from Verizon informing him that due to "landline service issues" in his area Verizon needed to transition his service to fiber optic technology, "at no charge." In the course of this transaction, Verizon sold Complainant a "bundle" of voice and internet services that increased Complainant's monthly bill.

Verizon responds that the offer in question applied to voice service, not to internet service, and only applied to the transition from basic voice over copper

to basic voice over fiber. According to Verizon, the Complainant ordered bundled services beyond what he had in place prior to the period in dispute, and has enjoyed all the benefits of what he ordered for close to two years. Verizon estimates that as of the date of the Complaint, Complainant owed \$463, but that this amount continues to grow because Verizon has yet to disconnect non-basic services.

We have determined that Verizon failed to respond to Complainant's near-immediate request that Verizon remove the additional services in question and restore Complainant's services to the original level at the time he received the "service letter" from Verizon. Therefore, Verizon must remove all so-called overdue charges from Complainant's bill, and shall provide Complainant with lifeline service, and no other service, going forward.

This case is closed.

1. Complainant's Contention

The events in question center upon on a letter from Verizon to Complainant dated May 2, 2012. In that letter, Verizon informed Complainant that "there have been landline service issues" in his area recently, and states that "Verizon needs to transition your service to the most advanced technology available - fiber optics." Verizon further states that "There is absolutely no charge to make this transition - you keep the same voice service at the same rate" and requests that the Complainant contact the company to schedule an appointment to perform the transition.

At the time he received this letter, Complainant received Lifeline phone service by Verizon, and also paid Verizon \$19.99 per month for internet service. Complainant's bill for these services from May 13, 2012 through June 12, 2012 was \$26.08. Following the interaction with Verizon that is at the center of this

dispute, Complainant's billing history began to show, for the first time, an overdue balance. That balance has steadily increased.

2. Defendant's Answer

Verizon states that when the Complainant called the company as they had requested in the May 2, 2012 letter he "purchased a different voice service. He ordered a bundle of services that include several vertical features and increased internet speed from 1 mbps to 25 mbps." According to Verizon, "Complainant refuses to acknowledge his order, insisting in conversations with Verizon that he only has to pay \$25/month for all services (but stating that his bill should be \$35/month in his complaint) because the 2012 letter said his 'voice service' rate would not change." (Verizon answer at 1-2).

Verizon also states that it has offered several times over the last years to remove the added voice features and lower his internet speeds so that Complainant's bill is lower. But Complainant has declined or backed out of the transaction each time Verizon turned to the subject of Complainant paying all or a negotiated portion of the outstanding bill: "it appears that Complainant believes he is entitled to have feature rich services and very high speed internet services for the cost of basic service. That, simply put, is an unreasonable position." Verizon states that as of the date of the Complaint, Complainant owes \$463, but that this amount continues to grow because Verizon has yet to disconnect non-basic services.

Finally, Verizon asserts that the Commission has no jurisdiction to order reparations with regard to the provision or billing of internet services: "in regards to internet services, the Commission cannot entertain this Complaint."

Verizon requests that the Commission deny the Complaint and the relief sought by the Complainant, dismiss the Complaint, and grant Verizon such other and future relief, that the Commission deems appropriate.

3. Prior Informal Complaint and Developments at Hearing

We note that the Complainant made this Expedited Complaint Procedure (ECP) filing after the Commission's Consumer Affairs Branch (CAB) denied his informal complaint, Complaint #311049.¹ At the hearing, the assigned Administrative Law Judge (ALJ) reviewed the events described above and took notice of documents from the informal complaint. Verizon distributed a two-page document entitled "Unofficial Summary of Account," which showed billing information and associated notes for the period August, 2011 through October 13, 2014.

4. Discussion

Verizon's actions in this matter are improper. The documents from Complaint #311049 include a letter from the Complainant to Verizon dated June 25, 2012. In that letter, Complainant references Verizon's June 17, 2012 letter (confirming the "order" that underlies this ECP dispute) and states "I do prefer to have my previous phone's services and no more." Rather than accede to Complainant's clear wishes, Verizon spent the next two years trying to dissuade him from his request, while continuing to bill him each month for the more expensive internet service that was included in the "bundle" of services that Verizon sold to him when he called the company-at the company's request-to schedule the field visit to address the "landline service issues" that Verizon

¹ Complainant filed Complaint #311049 on February 2, 2014. CAB denied the Complaint in a letter to Complainant dated April 30, 2014.

had identified in his area. According to the “Unofficial Summary of Account” provided by Verizon at the November 3, 2014 hearing, these charges are now approaching \$600. Verizon also revealed at the hearing that – despite the fact that this matter is the subject of this ECP – Verizon transferred part of the outstanding balance to a “collections account” in August, 2014.² We note that throughout the entire time of this dispute, Complainant sent Verizon regular monthly payments of \$25, the amount of his monthly bill (less fees and taxes) prior to his being “upsold” the bundled service package in June, 2012, and appears to have kept meticulous records of the dispute. In our view, these are not the actions of a customer who merits a collection action by Verizon.

In short, we find Verizon’s treatment of this customer to be inappropriate. Even though the Complainant made his wishes clear within one week of receiving Verizon’s confirmation of his “order,” Verizon disregarded those wishes and persisted in charging him for services that he did not want. Verizon’s protests to the contrary are not convincing, because it appears that every time the Complainant contacted Verizon seeking to resolve the issue, company representatives devoted their energies to talking him out of his decision, with the assistance of a confusing array of bundles and bill credits, and made any actions on their part to resolve his dispute contingent upon the Complainant paying the ever-increasing balance that he felt to be unwarranted given his prompt refusal of the higher-cost services back in 2012. For these reasons, we grant Complainant’s request: his service shall be restored to basic

² In the process of creating this collections account, Verizon also mistakenly doubled its estimate of the outstanding charges, and proceeded to send Complainant a bill exceeding \$1,000.

lifeline telephone service. At the hearing, Complainant informed the ALJ that he has a new internet provider, so Verizon should remove all internet charges from his bill. Verizon shall not attempt to collect any amounts for internet service beyond what the Complainant has already paid, because Verizon did not accept Complainant's clearly stated wishes that his internet charges remain low. Finally, we direct Verizon to refrain from any attempt to "true up" the past bills in dispute, for items like taxes and fees.

With respect to Verizon's claim that "the Commission has no jurisdiction to order reparations with regard to the provision or billing of internet services" and that "in regards to internet services, the Commission cannot entertain this Complaint," we disagree. The essence of this case is that the Complainant responded to a voice line service quality letter initiated by Verizon, an area squarely within our jurisdiction, and was convinced to pay more for his internet service when he called Verizon to schedule a service call. This is deceptive marketing, and this falls within our jurisdiction.

5. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Stephen C. Roscow is the assigned ALJ in this proceeding.

O R D E R

IT IS ORDERED that:

1. Verizon shall restore Complainant's telephone service to basic lifeline telephone service.
2. Verizon shall remove all internet charges from Complainant's bill.
3. Verizon shall not attempt to collect any amounts for internet service beyond what the Complainant has already paid since June, 2012.

4. Verizon shall refrain from any attempt to “true up” Complainant’s past disputed bills for items like taxes and fees. Those bills are deemed paid in full.

5. Case 14-06-007 is closed.

This order is effective today.

Dated December 18, 2014, at San Francisco, California.

MICHAEL R. PEEVEY

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

MICHAEL PICKER

Commissioners