

 한국소비자원 Korea Consumer Agency		<h1>Press Release</h1> <p>"An agency for the citizens in interest of consumers"</p>		 Facebook @kcanews  Instagram @kca.go.kr	
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Consumer complaints rising over communication quality of 5G service

- Consumers recommended to check 5G coverage (service availability areas) and better consent procedure required when subscribing -

Since Korea commercialized the "5G (5th Generation) mobile communication" for the first time in the world in April 2019, around 6.88 million subscribers are using the service as of May 2020. The new service is known for faster communication speed (x20) and larger data processing volume (x100) compared to LTE. Nevertheless, there are continuous complaints and damages from consumers using the 5G service due to incomplete expansion of communication network.

- "Bad communication quality (32.3%)" topped the list on consumer damage from 5G service

A total of 167 consumer damage redresses related to 5G service were applied to Korea Consumer Agency (President Lee Hee-sook) in the recent year (Apr. 2019 to Mar. 2020). The most frequent type of damage was “poor communication quality” related to telephone calls and data transmission and reception” (54 cases, 32.3%), followed by “breach of contract” (51 cases, 30.5%) including nonfulfillment of subsidization and device discounts. Others included “lack of explanation and notification on details of contract (25 cases, 15.0%), such as explanation on 5G coverage*.

* Range of outdoor area where 5G service is provided

【Types of 5G service consumer damage 5G】

Category	Cases (%)
Poor communication quality	54 (32.3%)
Breach of contract	51 (30.5%)
Lack of explanation and notification on contract details	25 (15.0%)
Mobile plans	9 (5.4%)
Penalties & withdrawal	9 (5.4%)
Unfair subscription	7 (4.2%)
Delayed/omitted subscription	6 (3.6%)
Defective device	3 (1.8%)
Others	3 (1.8%)
Total	167 (100.0%)

□ 49.6% of 5G service subscribers experienced inconvenience due to limited 5G coverage

According to the survey to 800 users on inconveniences when using 5G service (overlapped answers included), the most frequent answer was “unsatisfactory perceived speed” (423, 52.9%). Others included “limited coverage” (397, 49.6%), “expensive plan” (388, 48.5%), and “5G switched to LTE within coverage.” (333, 41.6%)

□ 26.8% of 5G service subscribers were not informed with 5G coverage

As 5G service is yet to be established nationwide, there are limitations in using the service. Moreover, given that 49.6% (397) of survey respondents complained about limited coverage, clear explanation and information on coverage shall be provided during the contract to allow consumers make rationale decisions. Still, 26.8% (214) of the respondents answered that no explanation on coverage was given when subscribing the service. Among those, 44.3% (95) of respondents were found to reside outside the 5G coverage. This implies that users may have

subscribed without knowing that 5G service is unavailable at their residential areas.

In order to subscribe to 5G service, one must agree that explanation on 5G coverage was given at the point of entering into a contract. However, it was found that such explanation was not made appropriately during the contract on-site, and therefore required improvements.

□ LTE service subscription limited for 5G device, causing consumer complaint

In technical terms, there are no limitations in using not only 5G but also LTE services with currently launching 5G devices. However, all three mobile carriers stipulated on their terms and conditions that LTE plan cannot be subscribed with 5G devices. Therefore, consumers who wish to use the latest 5G models are left with no choice but to subscribe to 5G service, even when their main residence is outside the 5G coverage. This means that improvements are required to allow consumers who cannot use 5G service at their main residential areas subscribe to LTE.

□ Diversified plans required based on data usage of 5G service users

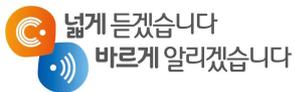
As of May 31, 2020, there are a total of 27 5G mobile plans offered by three mobile carriers. Compared to a total of 202 LTE plans, options are strictly limited for 5G plans. Based on the volume of data provided, 5G plans are managed as four main tiers; 9 plans offering 8 to 10GB (33.3%), 1 plan with 150GB (3.7%), 1 plan with 200GB (3.7%), and 16 unlimited data plans (59.3%).

In average, Korean 5G service users consume approximately 24GB* of data a month. Still, there were no plans which met this requirement. Moreover, there was only one plan for marginalized users, including the elderly and disabled. This calls for a more diverse offering of plans, given that survey respondents are experiencing inconvenience due to expensive 5G plans (48.5%) and few choices (27.3%) (overlapped answers included).

* Statistics on wireless data traffic (As of late-May 2020, Ministry of Science and ICT)

Based on recent survey results, Korea Consumer Agency recommended mobile carriers a) improve confirmation and consent procedures on 5G coverage, b) provide more information on 5G coverage establishment plan, c) improve the practice of limiting 5G device users from subscribing LTE service, and d)

diversify 5G plans.



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