

**UNDERTAKING BY CHUBB SECURITY AUSTRALIA PTY LTD (A.C.N
003 605 098) PURSUANT TO SECTION 87B OF THE TRADE PRACTICES
ACT 1974**

BACKGROUND

CHUBB SECURITY AUSTRALIA PTY LTD, ACN 003 605 098 is incorporated in the State of New South Wales. On 20 May 1996, Wormald Security Australia Pty Ltd ACN 003 605 098 changed its name to Chubb Security Australia Pty Ltd ACN 003 605 098 ("Chubb"). Chubb's principal activity at all material times included providing a variety of mobile security patrol services to clients located throughout Australia. It contracts with clients to provide site inspections. The inspections consist of internal, external and semi internal inspections.

In the Statement of Claim filed in proceedings number ~~Ng 986~~ of 1996 in the Federal Court, a copy of which is annexed hereto and marked "A" the Australian Competition and Consumer Commission ("the Commission") has alleged that Chubb:-

- (i) failed to provide mobile patrol services which it contracted with its clients to provide; and
- (ii) forwarded deliberately falsified 'touch probe' reports to clients in the Newcastle area, falsely representing that clients' sites had been visited on certain occasions by Chubb mobile patrol services when those sites had not in fact been visited.

The Commission contends that such conduct contravenes section 52 of the Trade Practices Act 1974 ("the Act").

Chubb admits that its conduct as alleged in the Statement of Claim resulted in contraventions of section 52 of the Act, and has now ceased the conduct.

Chubb is not now able to identify with a sufficient degree of certainty which of its clients were not provided with mobile patrol services in accordance with the contract that Chubb entered into with them.

Chubb has agreed to give the following undertakings for the purpose of section 87B of the Act in relation to the mobile patrol services provided by Chubb or any of its subsidiaries or business entities.

UNDERTAKINGS

Notification of Clients

- 1(i) (a) By 31 January 1997, Chubb will send to each current and former mobile patrol customer of Chubb who had contracted with Chubb to purchase mobile patrol services from Chubb for three continuous months or more, during the period from November 1993 to 1 June 1996 (other than Chubb clients in Western Australia, Tasmania and Newcastle), a letter in the form annexed and marked "B". The letter will notify such clients of Chubb's failure to provide mobile patrol services as contracted, and offer such clients a rebate or credit on such services for an amount of \$50.00.
- (b) If a customer is not satisfied with the rebate or credit offered by Chubb, Chubb will make available to the customer, at Chubb's expense, copies of relevant documents to enable the customer to pursue any remedies which it may wish to pursue against Chubb in any Court, Tribunal or other forum.
- (ii) (a) By 31 January 1997, Chubb will send to each current and former mobile patrol customer of Chubb in the Newcastle area who had contracted with Chubb to purchase mobile patrol services from Chubb for three continuous months or more, during the period from November 1993 to 1 June 1996, a letter in the form annexed and marked "C", notifying such clients of:-
- (i) its failure to provide mobile patrol services as contracted, and
- (ii) where those clients received 'touch probe' reports, of the falsification of reports to indicate that mobile patrol services had been provided when in fact they had not, and
- (iii) offering such clients a rebate or credit on such services for an amount of \$100.00.
- (b) If a customer is not satisfied with the rebate or credit offered by Chubb, Chubb will make available to the customer, at Chubb's expense, copies of relevant documents to enable the customer to pursue any remedies which it may wish to pursue against Chubb in any Court, Tribunal or other forum.

2. By 31 January 1997, Chubb will furnish to the Commission a list of the names and addresses of all persons and/or entities referred to in paragraph 1(i) (a) and 1(ii) (a) above.

Advertisements

3. Chubb will cause advertisements to be published in the newspapers and periodicals listed in the Schedule annexed and marked "D", at the times indicated in the Schedule. The format, position and size of each advertisement is to be as set out in Annexure "D".

Management Control Program

4. Prior to 1 March 1997 Chubb will implement, and continue to maintain for a period of four years from the date of this Undertaking, a Management Control Program ("the Program") for its mobile patrol services business. The Program will:-
 - (i) enable Chubb to monitor on a daily basis the calls made for each client of the mobile patrol business.
 - (ii) provide for the refund or credit to each client on a monthly basis a fee for any calls to which clients were entitled, however such entitlement may be assessed, but which were missed by Chubb mobile patrol officers due to "operational circumstances", unless that call has been missed solely due to "shared service" or "exceptional circumstances" reasons.
 - * "Shared service" refers to shortfalls in service due to each client on a round sharing service with the service provided to a number of other clients, for example delays at another client's premises due to break and enter, attendance at lock ups and escort duties, requirement to wait for client on site and problems with securing premises;
 - * "Exceptional Circumstances" - refers to shortfalls in service due to exceptional circumstances which are beyond Chubb's control and particularly affect travel, for example extreme weather conditions that slow down or even halt travel, accidents, car breakdowns, temporary

closure of roads, broken keys, fire, riots and high occurrence of alarm responses.

- * “Operational Circumstances” refers to all other reasons for a shortfall in service not covered by either Shared service or Exceptional Circumstances. These shortfalls are the responsibility of Chubb and are within its management control. They include temporary incorrect alignment of clients’ requirements to resources (generally after a major reshuffle of the patrol round), less than satisfactory understanding of requirements, inadequate training, poor attitude of staff or staff performing short of normal levels for any reason.

5. At the end of the each twelve (12) month period following the signing of this Undertaking, until the third anniversary of the signing of the Undertaking, Chubb will report on:
 - (a) Chubb’s compliance with this Undertaking over the preceding 12 months;
 - (b) the number of calls which were missed due to “operational circumstances” during the 12 month period; and
 - (c) the amounts refunded or rebated to clients during the 12 month period;

Code of Ethics

6. Within six months of the date of signing these Undertakings, Chubb will prepare and present to all of its mobile patrol clients a written document titled “Code of Ethics in Mobile Patrol Services” (“the Code”). The Code will include the information contained in the draft outline which is annexed and marked “E”.

Security Industry Generally

7. Chubb will use its best endeavours to arrange for a representative from the Commission to address the next two ASIAL conferences regarding compliance with the Act, and shall be responsible for all reasonable expenses associated with attendance by the officer of the Commission at each conference.

8. Within twenty one days of the date of signing these Undertakings Chubb will purchase, for the use by ASIAL and its members generally, two copies of the Commission's "Best and Fairest" Trade Practices Compliance Program.
9. Chubb will use its best endeavours to arrange for the amendment of the Australian Standard AS 4421 on Guards and Patrols, to include an additional paragraph in section 5 therein as follows:-

"5.4 Compliance with the Trade Practices Act

The Company must ensure that it complies with the provisions of the Trade Practices Act 1974 and the various Fair Trading Acts in the conduct of its business. In particular:-

- (a) the Company must ensure that representations to clients as to levels of service are complied with; and
- (b) the Company must introduce and use a compliance program such as the "Best and Fairest" educational program from the Australian Competition and Consumer Commission."

ACKNOWLEDGMENTS


Chubb acknowledges that the Commission will make this Undertaking available for public inspection.

Chubb further acknowledges that the Commission will from time to time publish and publicly refer to this Undertaking at its discretion.


Chubb further acknowledges that this Undertaking in no way derogates from the rights and remedies available to any person arising from the alleged conduct.

DATED *17th December* 1996

The common seal of Chubb Security Australia Pty Ltd
was hereunto affixed by authority of the Board of Directors in
presence of:-

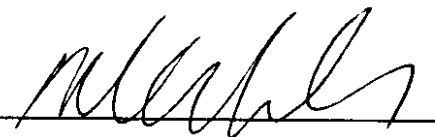


Secretary



Director

Accepted by the Australian Competition and Consumer Commission.”
pursuant to section 87B of the Trade Practices Act 1974



IN THE FEDERAL COURT OF AUSTRALIA
NEW SOUTH WALES DISTRICT REGISTRY
GENERAL DIVISION

}
} No. of 1996
}

Between:

**AUSTRALIAN COMPETITION
AND CONSUMER COMMISSION**

Applicant

-and-

**CHUBB SECURITY AUSTRALIA
PTY LTD (ACN 003 605 098)**

Respondent

STATEMENT OF CLAIM

1. The Applicant is a body corporate established by Section 6A of the Trade Practices Act 1974 ("the Act") and is entitled to sue in its corporate name.
2. The Respondent is and was at all material times:
 - (a) a body corporate duly incorporated pursuant to the Corporations Law;
 - (b) liable to sue and be sued in its corporate name;
 - (c) a trading corporation within the meaning given to that term by the Act formed within the limits of Australia; and
 - (d) a corporation to which the provisions of the Act apply.
3. At all material times the Respondent carried on business as Chubb Protective Services, also trading as Wormald Protective Services, and was

AUSTRALIAN GOVERNMENT SOLICITOR
25th floor
133 Castlereagh Street
SYDNEY NSW 2000
DX 444 Sydney

Ref: 96041623
Felicity Booth

Tel: (02) 9581 7530
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engaged in trade and commerce in the provision of mobile patrol security services throughout Australia.

MOBILE PATROL SERVICES

4. Since at least November 1993 the Respondent contracted with clients to provide mobile patrol services. These services were carried out by employees, licensees and/or subcontractors of the Respondent. Such persons were known as patrol officers.

PARTICULARS

Mobile patrol services are defined in clause 4 (ii) of the Respondent's Standard Patrols Agreement ("the Agreement") as "attendance at the Premises by the Company's Representative in accordance with instructions" ("Mobile Patrol Services").

5. At the time of entering into a contract for the provision of Mobile Patrol Services with a customer, the customer was able to specify various matters.

PARTICULARS

Customers were able to specify the desired number of calls to be made to particular premises each night, and the extent of any security check required, ranging from full internal checks on the premises to checking only the exterior of the premises.

6. On some occasions at the time of entering into a contract with a client for the provision of Mobile Patrol Services, the Respondent indicated that the service was a "shared service".

PARTICULARS

Clause 4(ii) of the Agreement states that Mobile Patrol Services offered to a customer are shared services and exceptionally busy periods and/or unforeseen circumstances may occasionally prevent attendance as agreed.

7. The cost to the customer of the Mobile Patrol Services provided by the Respondent was calculated by reference to a number of factors, including the number of each calls requested by the customer, and the extent of security check required on those calls.
8. Patrol officers of the Respondent were allocated particular "runs" which involved attending a number of premises and carrying out the relevant Mobile Patrol Service required.

PARTICULARS

Patrol officers were informed by the Respondent of the name of the customer, the address of the premises to be checked, the desired number of calls, and the extent of the security check to be undertaken at the premises.

9. Since at least November 1993, on occasions, patrol officers did not complete all of the calls requested to be undertaken by customers of the Respondent for reasons other than those specified in paragraph 6 of the Statement of Claim.

PARTICULARS

On some occasions Patrol Officers did not comply with customers' requirements including a failure to make the desired number of calls, and/or a failure to carry out the extent of the security check required on a particular call.

10. Since at least November 1993, on occasions, patrol officers did not complete the extent of the security check requested to be undertaken by customers of the Respondent.

PARTICULARS

On occasions, instead of carrying out the physical checks required for some calls, Patrol Officers would simply drive by the premises and check that they appeared secure.

11. Since at least November 1993, on occasions, the Respondent provided inaccurate information to customers regarding contracted services and completed calls.

PARTICULARS

On occasions the Respondent indicated to customers that contracted services had been carried out when they had not.

TOUCH PROBE SYSTEM- NEWCASTLE

12. Between 1986 and 1993 the Respondent installed at some customers' premises in and around the Newcastle area a "bar code system" and in 1993 this was replaced with a "touch probe system", which was similar to the 'bar code system" (together referred to as "touch probe systems").

PARTICULARS

Touch probe systems were installed in the premises of approximately 100 customers of the Respondent managed from the Newcastle office of the Respondent during the relevant period.

13. The touch probe systems involved a series of bar codes or electronic buttons placed at various positions on clients' premises. Patrol officers used "data wands" which, when pressed against the codes or buttons, electronically recorded the location and time of a call.
14. Information from the data wand was later down loaded into a computer system located in the Respondent's offices. Reports based on this information were prepared by the Respondent for some clients by printing out reports which recorded the date and time when the data wand had touched the code or button.

PARTICULARS

- (i) Touch probe reports were prepared for approximately 30 customers of the respondent in the Newcastle area who had touch probe systems installed.
 - (ii) Touch probe reports were prepared by the Newcastle Guards and Patrols Manager ("the Newcastle manager") of the respondent throughout the relevant period.
15. During the relevant period, there were systematic and deliberate alterations to touch probe data entered into the Respondent's computer system in its Newcastle office.

PARTICULARS

On some occasions the Newcastle manager amended touch probe reports by entering into the computer system of the Respondent in its Newcastle office:-

- (a) calls that had not actually occurred; and
 - (b) where a call had occurred, a different time to the time actually recorded by the touch probe system, so that the time in the report coincided with the time specified by the customer.
16. On some occasions during the relevant period, the Respondent provided reports based on the altered touch probe data to clients of the Respondent in the Newcastle area who received such reports.

PARTICULARS

- (i) The Applicant repeats the particulars to paragraph 15;
- (ii) The Newcastle Manager sent touch probe reports to clients of the Respondent in the Newcastle area who received those reports, and those reports contained altered data.

17. By reason of the matters set out above, the Respondent has, in trade and commerce, engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of section 52 of the Trade Practices Act 1974.

18. The Applicant contains the relief specified in the Application.

DATED:

AUSTRALIAN GOVERNMENT SOLICITOR

Per:

.....
Solicitor for the Applicant

Letter to Customers Australia-wide (except for WA, Tas and Newcastle).

Present Customers

[CHUBB LETTERHEAD]

Dear Customer,

Recently the Australian Competition and Consumer Commission (ACCC), with the cooperation of Chubb Security Australia Pty Limited, carried out an investigation in relation to the mobile patrol services provided by Chubb Protective Services. In the course of the investigation, it was confirmed to us that there have been some deficiencies in our business systems and that, for a variety of reasons, we were not always providing the number of inspections which our customers contracted for.

Chubb Protective Services was already investigating and dealing with these issues internally when they were raised with us by the ACCC. However, in light of the deficiencies in our service levels, Chubb Security has admitted that it has breached section 52 of the *Trade Practices Act 1974* and the ACCC has taken proceedings in relation to that breach.

Chubb Security sincerely regrets this service failure. Steps have now been taken, which are explained further below, to ensure that there is no repeat of this situation.

Refund of \$50 to each client.

No fine has been imposed on Chubb Security, but we have agreed with the ACCC, to compensate our clients for any service shortfall that may have occurred. While there is no way to determine the exact extent of the service shortfall, if any, at your site(s), we are offering a payment to all clients who have been with us for 3 months or more at any time during the period from November 1993 to June 1996. Each of these customers of Chubb Protective Services is entitled to a \$50 refund, which may be taken either as a cash refund, or as a credit off your next invoice.

To claim your refund, please complete the attached form, electing how you would like to receive it, and return the form to us at your convenience.

Fee for Attendance.

Chubb Protective Services has reviewed its mobile patrol services and is now in the process of introducing a "*fee for attendance*" principle as our standard business practice.

Despite our best efforts and due to the nature of the patrols business, there may be times when our operation fails, through human error or an inadvertent oversight, to carry out all of the required inspections at your premises. Should we fail to make a call to your premises due to operational circumstances, we will *automatically* credit the missed call on your next month's invoice. No phone call or correspondence is required. If we miss a call due to our shortcomings, we credit the call to you automatically.

There may still be occasions, as detailed in your current patrols agreement, where we cannot attend your premises due to circumstances outside our control. This may be due to the shared nature of the service we provide. The shared service we offer gives you the economies of sharing the cost of patrol services, but it may also mean that a patrol officer is delayed at another client's premises (due to alarms, for example) which puts in jeopardy the time available to complete other calls. Also, occasionally, exceptional circumstances beyond our control, such as extreme weather, accidents and breakdowns, closure of roads and broken keys may also delay us. If calls are missed for these reasons no refund will occur.

In addition to our fee for attendance initiative, we have taken the unique step of introducing a Code of Ethics for our mobile patrols business. This is to be provided to all of our present and potential customers. This Code of Ethics clearly states the nature of our patrol services and details our commitments. A copy is enclosed.

Chubb Security sincerely regrets its previous service failures and assures you that we have taken appropriate measures to address the issues raised. We look confidently to the future where our initiatives, coupled with our refocus on service excellence, will set the standard for all to follow.

Yours sincerely,

Letter to Previous Customers

[CHUBB LETTERHEAD]

Dear Customer,

Recently the Australian Competition and Consumer Commission (ACCC), with the cooperation of Chubb Security Australia Pty Limited, carried out an investigation in relation to the mobile patrol services provided by Chubb Protective Services. In the course of the investigation, it was confirmed to us that there have been some deficiencies in our business systems and that, for a variety of reasons, we were not always providing the number of inspections which our customers contracted for.

Chubb Protective Services was already investigating and dealing with these issues internally when they were raised with us by the ACCC. However, in light of the deficiencies in our service levels, Chubb Security has admitted that it has breached section 52 of the *Trade Practices Act 1974* and the ACCC has taken proceedings in relation to that breach.

Chubb Security sincerely regrets this service failure. Steps have now been taken, which are explained further below, to ensure that there is no repeat of this situation.

Refund of \$50 to each client.

No fine has been imposed on Chubb Security, but we have agreed with the ACCC, to compensate our clients for any service shortfall that may have occurred. While there

is no way to determine the exact extent of the service shortfall, if any, at your site(s), we are offering a payment to all clients who have been with us for 3 months or more at any time during the period from November 1993 to June 1996. Each of these customers or ex-customers of Chubb Protective Services or ex-customers of Wormald Security (another business division of Chubb Security previously conducting mobile patrol services) is entitled to a \$50 refund.

To claim your refund, please complete the attached form, and return the form to us at your convenience.

Fee for Attendance.

Chubb Protective Services has reviewed its mobile patrol services and is now in the process of introducing a "*fee for attendance*" principle as our standard business practice.

Despite our best efforts and due to the nature of the patrols business, there may be times when our operation fails, through human error or an inadvertent oversight, to carry out all of the required inspections at a client's premises. Should we fail to make a call at a client's premises due to operational circumstances, we will *automatically* credit the missed call on the client's next month's invoice. No phone call or correspondence is required. If we miss a call due to our shortcomings, we credit the call to our client automatically.

There may still be occasions, as detailed in our patrols agreements, where we cannot attend premises due to circumstances outside our control. This may be due to the shared nature of the service we provide. The shared service we offer gives clients the economies of sharing the cost of patrol services, but it may also mean that a patrol officer is delayed at another client's premises (due to alarms, for example) which puts in jeopardy the time available to complete other calls. Also, occasionally, exceptional circumstances beyond our control, such as extreme weather, accidents and breakdowns, closure of roads and broken keys may also delay us. If calls are missed for these reasons no refund will occur.

In addition to our fee for attendance initiative, we have taken the unique step of introducing a Code of Ethics for our mobile patrols business. This is to be provided to all of our present and potential customers. This Code of Ethics clearly states the nature of our patrol services and details our commitments.

If you currently use another security patrol service, we recommend, for your own sake, that you obtain similar conditions from that supplier.

Chubb Security sincerely regrets its previous service failures and assures you that we have taken appropriate measures to address the issues raised. We look confidently to the future where our initiatives, coupled with our refocus on service excellence, will set the standard for all to follow.

Yours sincerely,

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Letter to Present Customers in Newcastle.

[CHUBB LETTERHEAD]

Dear Customer,

Recently the Australian Competition and Consumer Commission (ACCC), with the cooperation of Chubb Security Australia Pty Limited, carried out an investigation in relation to the mobile patrol services provided by Chubb Protective Services. In the course of the investigation, it was confirmed to us that there have been some deficiencies in our business systems and that, for a variety of reasons, we were not always providing the number of inspections which our customers contracted for.

This was particularly the case in our Newcastle operations, as we disclosed to you in our letter to all Newcastle customers on 6 May 1996. We became aware in April 1996 that an officer in our Newcastle office had been altering reports to customers, without our knowledge. The practice was immediately rectified, but it left us unsure as to the level of mobile patrols service which had actually been provided to clients in the Newcastle area.

Chubb Protective Services was already investigating and dealing with these issues internally when they were raised with us by the ACCC. However, in light of the deficiencies in our service levels, Chubb Security has admitted that it has breached section 52 of the *Trade Practices Act 1974* and the ACCC has taken proceedings in relation to that breach.

Chubb Security sincerely regrets this service failure. Steps have now been taken, which are explained further below, to ensure that there is no repeat of this situation.

Refund of \$100 to each client.

No fine has been imposed on Chubb Security, but we have agreed with the ACCC, to compensate our Newcastle clients especially for any service shortfall that may have occurred. While there is no way to determine the exact extent of the service shortfall, if any, at your site(s), we are offering a payment to all clients in the Newcastle area who have been with us for 3 months or more at any time during the period from November 1993 to June 1996. Each of these customers of Chubb Protective Services is entitled to a \$100 refund, which may be taken either as a cash refund, or as a credit off your next invoice.

To claim your refund, please complete the attached form, electing how you would like to receive it, and return the form to us at your convenience.

Fee for Attendance.

Chubb Protective Services has reviewed its mobile patrol services and is now in the process of introducing a "*fee for attendance*" principle as our standard business practice.

Despite our best efforts and due to the nature of the patrols business, there may be times when our operation fails, through human error or an inadvertent oversight, to carry out all of the required inspections at your premises. Should we fail to make a call to your premises due to operational circumstances, we will *automatically* credit the missed call on your next month's invoice. No phone call or correspondence is required. If we miss a call due to our shortcomings, we credit the call to you automatically.

There may still be occasions, as detailed in your current patrols agreement, where we cannot attend your premises due to circumstances outside our control. This may be due to the shared nature of the service we provide. The shared service we offer gives you the economies of sharing the cost of patrol services, but it may also mean that a patrol officer is delayed at another client's premises (due to alarms, for example) which puts in jeopardy the time available to complete other calls. Also, occasionally, exceptional circumstances beyond our control, such as extreme weather, accidents and breakdowns, closure of roads and broken keys may also delay us. If calls are missed for these reasons no refund will occur.

In addition to our fee for attendance initiative, we have taken the unique step of introducing a Code of Ethics for our mobile patrols business. This is to be provided to all of our present and potential customers. This Code of Ethics clearly states the nature of our patrol services and details our commitments. A copy is enclosed.

Chubb sincerely regrets its previous service failures and assures you that we have taken appropriate measures to address the issues raised. We look confidently to the future where our initiatives, coupled with our refocus on service excellence, will set the standard for all to follow.

Yours sincerely,

Letter to Previous Customers in Newcastle.

[CHUBB LETTERHEAD]

Dear Customer,

Recently the Australian Competition and Consumer Commission (ACCC), with the cooperation of Chubb Security Australia Pty Limited, carried out an investigation in relation to the mobile patrol services provided by Chubb Protective Services. In the course of the investigation, it was confirmed to us that there have been some deficiencies in our business systems and that, for a variety of reasons, we were not always providing the number of inspections which our customers contracted for.

This was particularly the case in our Newcastle operations, as we disclosed to you in our letter to all Newcastle customers on 6 May 1996. We became aware in April 1996 that an officer in our Newcastle office had been altering reports to customers, without our knowledge. The practice was immediately rectified, but it left us unsure as to the

level of mobile patrols service which had actually been provided to clients in the Newcastle area.

Chubb Protective Services was already investigating and dealing with these issues internally when they were raised with us by the ACCC. However, in light of the deficiencies in our service levels, Chubb Security has admitted that it has breached section 52 of the *Trade Practices Act 1974* and the ACCC has taken proceedings in relation to that breach.

Chubb Security sincerely regrets this service failure. Steps have now been taken, which are explained further below, to ensure that there is no repeat of this situation.

Refund of \$100 to each client.

No fine has been imposed on Chubb Security, but we have agreed with the ACCC, to compensate our Newcastle clients especially for any service shortfall that may have occurred. While there is no way to determine the exact extent of the service shortfall, if any, at your site(s), we are offering a payment to all clients in the Newcastle area who have been with us for 3 months or more at any time during the period from November 1993 to June 1996. Each of these customers or ex-customers of Chubb Protective Services is entitled to a \$100 refund.

To claim your refund, please complete the attached form, and return the form to us at your convenience.

Fee for Attendance.

Chubb Protective Services has reviewed its mobile patrol services and is now in the process of introducing a "*fee for attendance*" principle as our standard business practice.

Despite our best efforts and due to the nature of the patrols business, there may be times when our operation fails, through human error or an inadvertent oversight, to carry out all of the required inspections at a client's premises. Should we fail to make a call at a client's premises due to operational circumstances, we will *automatically* credit the missed call on the client's next month's invoice. No phone call or correspondence is required. If we miss a call due to our shortcomings, we credit the call to our client automatically.

There may still be occasions, as detailed in our patrols agreements, where we cannot attend premises due to circumstances outside our control. This may be due to the shared nature of the service we provide. The shared service we offer gives clients the economies of sharing the cost of patrol services, but it may also mean that a patrol officer is delayed at another client's premises (due to alarms, for example) which puts in jeopardy the time available to complete other calls. Also, occasionally, exceptional circumstances beyond our control, such as extreme weather, accidents and breakdowns, closure of roads and broken keys may also delay us. If calls are missed for these reasons no refund will occur.

In addition to our fee for attendance initiative, we have taken the unique step of introducing a Code of Ethics for our mobile patrols business. This is to be provided to all of our present and potential customers. This Code of Ethics clearly states the nature of our patrol services and details our commitments.

If you currently use another security patrol service, we recommend, for your own sake, that you obtain similar conditions from that supplier.

Chubb Security sincerely regrets its previous service failures and assures you that we have taken appropriate measures to address the issues raised. We look confidently to the future where our initiatives, coupled with our refocus on service excellence, will set the standard for all to follow.

Yours sincerely,

ANNEXURE "D".

SCHEDULE OF PUBLICATIONS :-

1. Three advertisements, in the form annexed, in The Australian Newspaper, Early General News section, published as follows:-
 - (i) First publication: within three days of the Orders made by the Court;
 - (ii) Second publication: between four and seven days after the first publication;
 - (iii) Third publication: between seven and ten days after the second publication.

None of the above advertisements are to be published on public holidays.

Each of the above advertisements is to be one quarter of a page in size, or as near as possible to this size, allowing for requirements of The Australian.

2. Six full page advertisements, in the form annexed, and subject to appropriate changes in tense, in the Security Australia Magazine, to be published twice each year in 1997, 1998 and 1999.

PUBLIC NOTICE

CUSTOMERS OF



CHUBB SECURITY AUSTRALIA PTY LIMITED

The Australian Competition and Consumer Commission (ACCC), with the cooperation of Chubb Security Australia Pty Limited, recently carried out an investigation in relation to the mobile patrol services provided by its Chubb Protective Services (CPS) division. It was found that there have been some deficiencies in the business systems of CPS and that, on some occasions, CPS were not providing the number of inspections which its customers contracted for. CPS was already investigating and dealing with these issues internally when they were raised by the ACCC. Chubb Security has admitted that it has breached section 52 of the Trade Practices Act 1974 and the ACCC has taken proceedings in relation to that breach. Chubb Security sincerely regrets this service failure.

CPS is implementing new management systems for its mobile patrols operations and has taken steps to ensure that its levels of service will lead the way for the mobile patrols industry. Further, we have introduced a Code of Ethics in relation to our patrol business that sets new standards for the industry.

Chubb Protective Services is confident of its abilities to deliver and is also fully aware of our clients' desire to obtain value for every dollar spent. To this end, Chubb is also introducing a "Fee for Attendance" policy for all mobile patrol security services.

CPS will be writing to all of its long-standing customers shortly to explain these issues further.

This notice has been published with the permission of the
ACCC.



Australian
Competition &
Consumer
Commission



Draft Outline of the "Code of Ethics".

Chubb People.

At Chubb, we require all of our people always to act with honesty and integrity. Also, we train our sales people so that when they come to you, they must:

- only offer deliverable services;
- always explain the features of patrol services, including the nature of a shared service;
- explain the limitations that exceptional circumstances place on service delivery; and
- explain the "Fee for Attendance" scheme.

A Quality Service.

Chubb is committed to continuous service improvement and a determination to provide the best mix of security people and resources possible.

Service quality starts with our sales people, whose role it is to identify your security needs, explain important aspects of our services and recommend a solution to your requirements. From these your security requirements are documented, with site maps (if necessary). This information is provided as briefing material to the Patrol Officer, who is supported by a network of professionals including inspectors, trainers, radio room operators and management.

Chubb patrols are a **shared service**: the Patrol Officer assigned to check your premises, also performs duties for a group of other clients. This means that you enjoy the economies of sharing the cost of the Patrol Officer with other clients. However, there may be times when patrol officers are required to remain at other clients' premises or to undertake duties for other clients which jeopardises the time available to complete the contracted service calls to your premises. Examples are when there is a break-in or an alarm, lock up duties or a requirement to wait at other premises or problems generally in securing other premises. It is important that our clients understand that there could be times when this may occur. Equally though, by Chubb adopting this policy, your premises will be properly looked after if there is an alarm or break-in, for example.

Fee for Attendance.

Chubb is confident in its ability to provide the highest standard of service in the industry. We are so confident that we are prepared to put our money where our mouth is, by offering the innovative "Fee for Attendance" scheme.

Here's how it works. If, despite our best efforts, we should fail in the delivery of our service due to operational failure or human error, we will automatically credit your next invoice for the value of the service we failed to perform.

This offer does not include cases where a call on your premises was missed due to the nature of the shared service which we provide (as explained above), or where exceptional circumstances beyond our control apply. Such exceptional circumstances will include extreme weather conditions that slow down or halt traffic, accidents, car breakdowns, temporary road closures, broken keys etc.