



Telecommunications
Industry
Ombudsman

Submission to
Communications
Alliance Discussion
Paper –
Telecommunications
Consumer Protections
Code Review 2024
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Introduction

Thank you for the opportunity to comment on the Communications Alliance Discussion Paper on the Telecommunications Consumer Protection Code (the Code) Review 2024. I thank Communications Alliance for the work it has done to date to ensure the review of the Code is robust and considers the views of all relevant stakeholders.

As the independent dispute resolution scheme for the telecommunications industry, the complaints we receive from consumers and small businesses put us in a unique position to provide insights about how consumer protections are operating in the market.

Since the inception of the consumer protections framework and the design of the current co-regulatory model, the telecommunications market has changed significantly. Telecommunications are now essential to modern life, and the market is dynamic and fast moving with a diverse range of service providers.

Despite this we have not seen regulation keep pace with this rate of change. The current consumer protections framework's reliance on industry codes is at odds with other essential services such as energy, water, and financial services.

Through our complaints, we see that it is vulnerable consumers who are impacted the most when consumer protections are inadequate.

While complaints in the telecommunications sector may be generally in decline, government and the industry need to reflect and change to make sure consumer protections adequately address the challenges that drive complaints. From cost-of-living challenges to the convergence of telecommunications with other essential services and digital platforms, it is upon us all to ensure we have an optimal regulatory landscape.

The Commonwealth Government is considering the consumer safeguards framework to determine if it remains fit for purpose.¹ To support better outcomes for consumers and telcos, we continue to call for direct regulation of essential consumer protections in a consolidated instrument, instead of Industry Codes and Guidelines.

Should consumer protections continue to be regulated through the Code, changes are needed to ensure the Code can adequately protect all consumers and support telcos with clear regulatory obligations. Even so, changing the Code is not a substitute for direct regulation.

Our submission focuses on key areas of reform for the Code based on our complaint handling and systemic investigations work.

We welcome the opportunity to work with Communications Alliance, government, regulators, our members, and consumer representatives to meet the challenges of the current market head on, and support fair and reasonable outcomes for telcos and their consumers.

Cynthia Gebert

Telecommunications Industry Ombudsman

¹ [Albanese Government will ensure telco customers are treated fairly | Ministers for the Department of Infrastructure](#)

1. The current co-regulatory framework and TCP Code are no longer fit for purpose

We support the introduction of essential consumer protections through direct regulation. That is, the rules should be decided and made by government and regulators rather than by industry representatives through the creation of industry codes. This would recognise the essential nature of telco services by ensuring the protection of consumers is the primary objective of the rules. It would also ensure regulatory requirements are directly enforceable and fit for purpose as the sector evolves.

When the current co-regulatory model was developed, it was a key objective of the model to encourage competition and reduce barriers to entry into the sector. This was to be achieved by giving telcos a significant active role in the development of industry codes, including codes regulating consumer protection matters.

The current environment in the sector is very different. The retail telco sector of 2023 does not lack competition, with more than 1,500 telcos currently members of our scheme. This includes telcos with a variety of sizes and business models, offering a range of products. Importantly, it also includes companies with very different levels of resourcing and compliance capabilities. A robust consumer protections framework will support consumer trust in the market.

1.1 The Code is not operating effectively to protect consumers

When investigating and resolving complaints, we consider the safeguards and obligations in the Code. Insights from our complaint handling give us a unique perspective on how the Code is operating to support consumers and telcos.

Our experience dealing with telco complaints shows the Code is not operating as intended to ensure:

- consumers receive clear accurate and relevant information from telcos about telco products before and after signing up for those products
- consumers enjoy open, honest, and fair dealings with their telco
- consumers receive effective remedies where a telco breaches the Code, or
- disadvantaged and vulnerable consumers receive appropriate consideration and protections from their telco.

When the protections of the Code do not work as intended, it is often vulnerable consumers who are disproportionately affected. We see complaints where consumers experiencing vulnerability are impacted by poor selling practices, a lack of proactive support for consumers experiencing payment difficulties, and a lack of choice around payment methods.

Several provisions of the Code are open-ended or unclear and are applied inconsistently across the sector. In other areas, such as the provisions relating to credit assessments and payment options, the Code's protections are not sufficiently prescriptive to protect vulnerable consumers.

Further, the Code does not generally provide clear remedies consumers are entitled to in the event a telco does not comply with the Code. For this reason, it is less likely our officers will look to the Code for guidance when making decisions about complaints, than to direct regulation that does specify remedies, such as the Australian Consumer Law (ACL).

Direct regulation in other essential services sectors does specify remedies for non-compliance.²

1.2 We have seen how direct regulation creates better outcomes for telcos and consumers

Over recent years, the Australian Communications and Media Authority (ACMA) and the federal government have recognised the value of directly regulating consumer protection matters in the telco space. The ACMA played a central role in developing legislative instruments governing:

- the handling of complaints against telcos³
- identity verification requirements to protect consumers against mobile porting fraud,⁴ and
- broader multi-factor authentication requirements to protect consumers against unauthorised access to their telco services and accounts.⁵

Government and regulators have the expertise to draft enforceable obligations. Where this has occurred in the telco space, it has resulted in robust consumer protections. It has also created positive outcomes for telcos, with the significant reduction in complaints following the introduction of the Complaint Handling Standard in 2018.⁶

Giving government and regulators responsibility for developing consumer protections in essential services sectors also recognises the public's substantial stake in those services being supplied in a fair way that does not disadvantage the vulnerable. This is reflected in the current consumer protection arrangements in other essential services sectors, such as energy, water, and consumer credit. In these sectors, consumer protection is largely implemented through direct regulation.

1.3 Direct regulation would empower the ACMA to enforce the rules in a more agile way

Under the current arrangements, when the ACMA wishes to take enforcement action against a telco for breaching a provision of the Code (or any other registered industry Code), it first needs to direct the telco to comply with the Code under section 121 of the Telecommunications Act.⁷ If the telco does not comply with the direction, then it is able to seek a court order requiring the telco to pay a pecuniary penalty under section 571.

On the other hand, where a telco breaches a provision of an Industry Standard (a kind of direct regulation), the ACMA is able to seek a court order for a pecuniary penalty directly, without needing to first direct the telco to comply.

Consolidating all essential consumer protection requirements into a single piece of direct regulation such as an Industry Standard would allow the regulator to be more agile in responding to non-compliant behaviour and enforcing compliance with the rules.

² For example, the Part 4-2 of the [National Consumer Credit Protection Act 2009](#) outlines the remedies available to affected persons if a credit provider breaches the Act. The National Credit Code (Schedule 1 to the Act) also includes targeted remedies for particular breaches, such as Division 6 of Part 5, which deals with mortgagor's remedies.

³ [Telecommunications \(Consumer Complaints Handling\) Industry Standard 2018](#).

⁴ [Telecommunications \(Mobile Number Pre-Porting Additional Identity Verification\) Industry Standard 2020](#).

⁵ [Telecommunications Service Provider \(Customer Identity Authentication\) Determination 2022](#).

⁶ Our Annual Reports for the [2019-2020](#), [2020-2021](#), and [2021-2022](#) reporting periods each outlined a decrease in our overall complaint numbers.

⁷ [Telecommunications Act 1997](#).

1.4 In the absence of direct regulation, we support improvements to the Code

While we support the replacement of the Code with direct regulation, we acknowledge the government may decide to continue with the Code as the key consumer protection instrument for the telco sector.

We appreciate the effort that Communications Alliance has made to ensure that there is a fair and robust process for the TCP Code Review 2024. We support reform to the Code to ensure it provides the most effective consumer protections possible.

Our submission focuses on the following areas:

- **Section 2:** Sales practices (including contract information and record keeping)
- **Section 3:** Billing and payment methods
- **Section 4:** Financial hardship
- **Section 5:** Domestic or Family violence.

We also identified minor areas of reform for the Code (**Section 6**) and outline our support for the Code's product information requirements.

2. The Code should protect consumers against poor selling practices

2.1 The Code should include clearer remedies for misleading sales conduct and other poor sales practices

We support the continuation of telco-specific consumer protections regarding marketing and sales practices, in addition to the ACL. Sector-specific protections also apply in the energy and financial sectors in addition to existing misleading or deceptive conduct provisions in the ACL.

The ACL and telco-specific consumer protections are consistent and complement one another. As we have observed previously, telco-specific consumer protections can reduce the likelihood of telcos breaching the ACL.⁸ However, the conduct we have observed through our complaints and systemic investigations demonstrates the need to strengthen the telco-specific marketing obligations in the Code to better protect vulnerable consumers and promote trust in the industry.

Our 2023 Quarter 3 Complaints Report⁹ found that mobile complaints about misleading conduct increased 12.8 percent compared to the previous quarter, and 34.9 percent compared to the previous year. This occurred in the context of our overall complaint numbers remaining steady compared to the previous quarter, and decreasing around 19 percent compared to the same quarter in 2022.

Between 1 July 2020 to 30 April 2023, the most common systemic issue investigated by the TIO was poor sales practices (including misleading sales conduct).

⁸ Page 12, [TIO submission to Part C of the Consumer Safeguards Review](#), October 2020.

⁹ [TIO Quarterly report, Quarter 3, Financial year 2022 – 2023](#).

Our systemic investigations found that telcos mis-selling to consumers experiencing vulnerabilities leads to severe consequences. Consumers experiencing a range of vulnerabilities can be subject to mis-selling, including those that:

- have a disability
- are elderly
- experience language barriers
- rely heavily on government support as income
- come from an Aboriginal or Torres Strait Islander community
- have low digital literacy.

We investigate circumstances where telcos:

- do not correctly identify themselves when selling a service
- mislead consumers about other aspects of the sale, including whether or not a sale was actually taking place
- transfer consumers away from their telco without the consumer's authority
- provide a service that does not work or cannot do what the consumer wanted it to do (for example because of poor mobile coverage or compatibility problems between the service and associated devices), and/or
- charge substantial exit fees when the consumer attempts to transfer back.

Following some of our investigations, we referred some telcos to the Australian Competition and Consumer Commission (ACCC) for breaches of the ACL.

Clause 4.2 of the Code contains obligations to give prospective customers access to concise information about products in the form of Critical Information Summaries (CISs). The Code also contains obligations for telcos to give consumers other information relevant to a sale under clause 4.3, and to sell services responsibly under clause 4.5.

However, the Code does not provide clear remedies consumers are entitled to where a telco engages in misleading sales conduct or other poor sales practices.

Under clause 4.4 of the Code, the remedies available for inaccurate sales information involve the telco giving the consumer accurate or corrected information, or an otherwise 'appropriate' remedy. Because the clause does not provide clear obligations to offer specific remedies, telcos may misinterpret what an appropriate remedy is for a consumer in the consumer's particular circumstances.

When we decide what a consumer is entitled to where they entered a contract relying on misleading information from their telco, we form a view based on:

- the remedies available for misleading conduct under the ACL,¹⁰ and
- what is fair and reasonable in the consumer's circumstances.

¹⁰ Part 5-2, ACL, Schedule 2 to the [Competition and Consumer Act 2010](#).

Generally, we may decide the consumer is entitled to cancel their contract without paying termination fees, or (in some circumstances) to receive a refund of charges paid for the service.

Systemic Investigation Case Study A: We investigated Virtuecall's* unfair telemarketing practices

We received a series of complaints about Virtuecall's telemarketing practices. The consumers who made the complaints said Virtuecall signed them up to contracts and transferred their services to Virtuecall's network without the consumers' informed consent. Among other concerning sales conduct, consumers complained Virtuecall:

- impersonated another telco and offered the consumer a discount for their existing services
- offered the consumer a service and commenced the service even though the consumer had rejected the offer (either directly or by asking to review the contract before agreeing to the offer).

Most of the complaints were lodged by elderly consumers.

We were concerned Virtuecall appeared to be targeting a vulnerable consumer base with its telemarketing practices, so we started a Systemic Investigation. Virtuecall provided call recordings of its sales calls, which confirmed its sales agents:

- inaccurately presented their offers as 'discounts' rather than sales offers, or
- gave misleading reasons for their call.

While Virtuecall acknowledged informally that its sales practices could have improved, it did not address the specific issues consumers raised in their complaints.

We continued to receive complaints about Virtuecall's misleading telemarketing practices, so we referred the issue to the ACMA and the ACCC.

**Names of all parties have been changed.*

Recommendation 1:

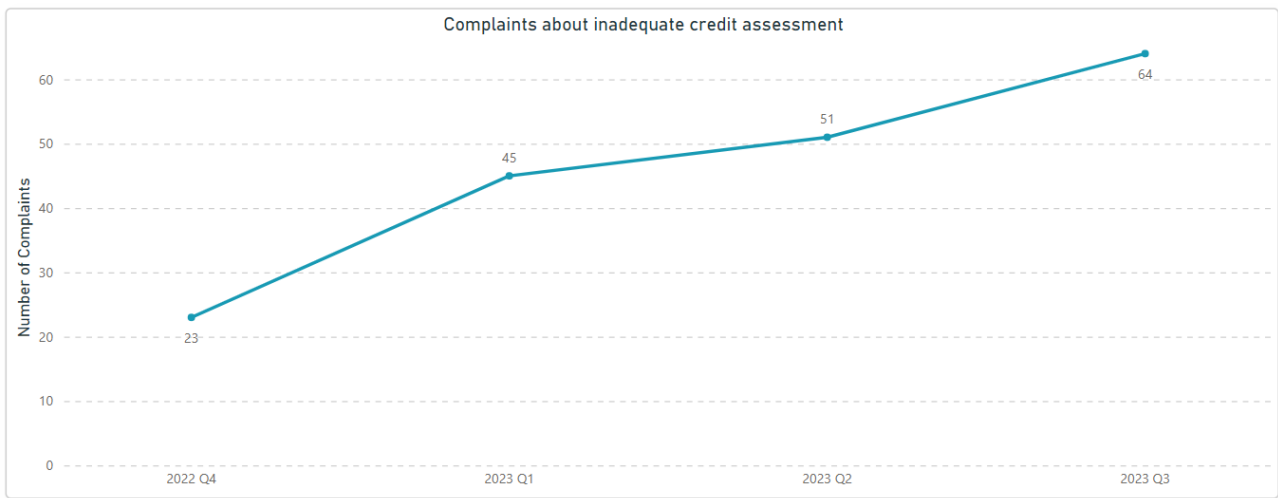
The Code should include additional specific remedies a telco must offer to a consumer if the consumer is induced to buy a telco product by incorrect or misleading information from the telco.

Recommendation 2:

The additional specific remedies should be modelled on those available under the ACL for breach of its prohibitions against misleading, deceptive, or unconscionable conduct.

2.1 The Code requires more robust credit assessment rules to protect consumers

We receive complaints from consumers who are in financial difficulty, or whose financial difficulties are exacerbated, because their telco did not sell them services responsibly.



Often, these consumers initially complain about a different issue such as a service fault or disputed charges, and we later discover their telco inappropriately sold them services they could not afford. Sometimes, we receive the complaint from the consumer's financial counsellor or a concerned family member.

Some of the most concerning cases we see involve consumers with apparent disabilities or other vulnerabilities contacting their telco for assistance with their phone service, only to be sold additional products and services they cannot afford.

Clause 6.1.1 of the Code deals with responsible selling obligations for telcos. It requires telcos to complete an assessment of a consumer's capacity to pay for post-paid telco products (a Credit Assessment) before selling them.

For existing customers of a telco, clause 6.1.1(a) only requires the telco to base their Credit Assessment on the consumer's payment history with that telco. This method does not require telcos to consider a consumer's overall income or their other expenses. As Case Study 1 illustrates, these clauses do not prevent inappropriate sales of telco products to consumers who cannot afford them.

For new customers, clause 6.1.1(b) requires telcos to complete an external credit check and assess a consumer's income or savings. In our experience, an external credit check and income data alone may not tell the whole story about a consumer's capacity to pay. We receive complaints where the consumer was sold services they could not afford because their telco's Credit Assessment did not factor in the consumer's living expenses.

As we argued in our 2020 submission to Part C of the Telecommunications Consumer Safeguards Review,¹¹ Credit Assessments should require a more comprehensive consideration of a consumer's capacity to pay. In isolation, neither an existing customer's payment history, nor a new customer's

¹¹ Pages 13 – 14, [TIO submission to Part C of the Consumer Safeguards Review](#), October 2020.

credit file and income information are sufficient to base an effective assessment that will protect the consumer from financial overcommitment.

We note these comprehensive Credit Assessment obligations would require telcos to collect more personal information about consumers signing up for new services than many telcos collect under their existing procedures. Any extra collection of personal information comes with a level of privacy risk for consumers. However, considering telcos' obligations under the Privacy Act,¹² on balance more comprehensive Credit Assessment obligations would be in the best interests of consumers and the industry.

Case Study 1: Conall* was sold more than \$15,000 worth of mobiles and accessories while on a government pension**

Conall has significant ongoing physical and mental health conditions. He is not able to work and relies on government support for income.

Conall went to a CurbTel store wanting to sign up for new mobile services. CurbTel signed him up for multiple expensive mobile handsets, plans, and accessories. The cost over the contract period was more than \$15,000. When Conall did not meet his monthly payments, CurbTel cancelled the services. It also charged him for breaking the contracts, which included high payout costs for the mobile handsets and other equipment.

Conall's representative complained to us saying CurbTel had not sold the services responsibly. The representative said Conall did not understand the contracts or costs involved when signing up for the services and could not afford to pay for them.

CurbTel told us it was appropriate to sell Conall the services. It said he passed its credit check because he had previously paid his accounts on time. CurbTel also said it had prevented Conall from purchasing more than four handsets. However, following the complaint to our office, CurbTel agreed to waive the cancellation fees out of goodwill to Conall. It let him keep his mobile handsets.

** Names of all parties have been changed.*

*** This case study first appeared in our 2022 Systemic Investigation report 'Investigating complaints about essential mobile services.'*

Case Study 2: Danielle's* income information did not tell the whole story about her ability to pay**

In February 2020, Danielle contacted the TIO about mobile and tablet charges she could not afford to pay. Danielle told us she was falling behind on her monthly GoPhone bill of around \$200. Danielle said she was financially overcommitted and sought our help.

¹² Australian Privacy Principle 6 – use or disclosure of personal information; Australian Privacy Principle 11 – security of personal information (including taking reasonable steps to destroy or deidentify personal information no longer required). For telcos that are APP Entities under the Privacy Act, clause 3.7 of the Code contains a similar obligation for telcos to protect a Customer's or former Customer's personal information from unauthorised use or disclosure.

At the time of signing up for her GoPhone services, Danielle told us she was receiving Centrelink payments and did not have a consistent or steady income. She told us that she was finding it difficult to balance her various financial commitments and that she was concerned she would fall behind on her \$200 per month GoPhone bill.

When we raised the complaint with GoPhone, it told us that Danielle had agreed to the monthly minimum cost of her telco services and had passed its internal credit check. GoPhone said Danielle was liable for the contract for her mobile service and tablet, even if she could not afford it. GoPhone did not tell us how its credit check system operated, or the types of information it based its approval system on.

To resolve the complaint, GoPhone allowed Danielle to cancel her services and return the tablet at no cost.

**Names of all parties have been changed*

*** This case study first appeared in our 2020 submission to [Part C of the Telecommunications Consumer Safeguards Review](#).*

Recommendation 3:

The Code should include more comprehensive requirements for Credit Assessments. At a minimum, an effective Credit Assessment should consider a consumer's income, the cost of their existing telco services, their living expenses, and other financial liabilities. To balance this requirement with the need to protect consumers' privacy, the Code should also prescribe a timeframe after which telcos must destroy Credit Assessment information.

2.2 There should be clear record-keeping obligations for sales and marketing activities

We receive complaints from consumers who say they have been subjected to misleading or deceptive marketing, either in person or over the phone.

We also see complaints involving disagreements about the content or existence of telecommunications contracts. These disputes are often about what services, service inclusions (such as international call minutes or mobile data limits), or devices were agreed to be included in a contract, or how much products cost. Sometimes the consumer disputes agreeing to the contract at all.

When dealing with these complaints, it is important for consumers, telcos, and us to have access to a detailed record showing whether an agreement was made, and if so, what was agreed.

Clause 4.6 of the Code lists information telcos must give to consumers about their contracts, including information about the identity of service suppliers, equipment compatibility, and equipment terms and conditions. It also requires telcos to make the CISs and standard form contracts for its services available to consumers.

Clause 4.6.3 requires telcos to supply minimal customer-specific contract information to consumers (on request). This is limited to information about the activation and expiry dates of the consumer's contracts.

Clause 4.6.5 requires telcos to create and retain auditable records sufficient to allow a consumer to verify certain matters about their telco contracts. Telcos must keep and give the consumer access to these records for at least two years after their contract expires. The records telcos are required to retain are limited to records establishing:

- a) the identity and role of the telco and (where relevant) another Carrier in supplying the service, and
- b) that the consumer agreed to enter into the contract.

In our experience, the records telcos are required to supply and retain under the Code can be insufficient to determine what (if anything) a consumer agreed with their telco. Clause 4.6.5 allows a telco significant scope to determine what auditable records it retains. This is because the clause does not refer to particular record types, but instead to matters the records should establish.

We receive complaints where a telco tells us it either did not retain or is otherwise unable to give us or a consumer clear information showing what was agreed when the consumer signed up for their service. This can occur where the consumer signed up for the service online or over the phone.

In these cases, the telco may have a note on its systems about the agreement, or email the consumer a written summary of the contract terms, but does not retain a call recording of its conversation with the consumer. The records the telco does retain sometimes leave out important details or fail to address the issue in dispute. Where the consumer says they did not agree to a contract at all, the records may not be sufficient to prove a contract exists.

In one systemic investigation, a telco told us it deleted relevant records where consumers chose not to sign up during the call. This made it more difficult to investigate claims from consumers about poor telemarketing conduct.

There are clear obligations in the energy sector for the retention of records relating to energy market activities (see below). Similar obligations would assist both telcos and consumers in resolving disputes about poor sales and marketing conduct.

We acknowledge such obligations would require telcos to retain a higher level of personal information about their customers for a greater period of time than is their current practice. As we note above, telcos' obligations under the Privacy Act balance the risks presented by this additional retention of information.

Rule 68 of the National Energy Retail Rules - Record Keeping

- (1) A retailer must ensure that records are kept of all energy marketing activities carried out by it or on its behalf by retail marketers, including details of energy marketing visits that have been conducted, and telephone energy marketing calls that have been placed.
- (2) The retailer must ensure that each such record is retained:
 - a) for the period of 12 months; or
 - b) where a small customer has within that period made a complaint or referred a dispute to the energy ombudsman in relation to energy marketing activities—for the period the complaint or dispute remains unresolved, whichever is the longer period.

(3) A retailer must ensure that it and appropriate officers or employees of the retailer, have immediate access, or a right of immediate access, to each such record.

Systemic Investigation Case Study B: RingRite's contracts

We received complaints from RingRite customers involving disputes about service and equipment charges. During the course of managing the complaints, we discovered RingRite had not given the consumers copies of their contracts. When our dispute resolution staff asked RingRite to provide the contracts, it said this information was not available. Because of this, it was unclear what the consumers had agreed with RingRite at the time they signed up for their services. The lack of clear information about the contracts made it more difficult for us, the consumers, and RingRite to resolve the complaints.

We started a systemic investigation into RingRite's contracting practices. It told us consumers sign up for its services online and it retains records showing its customers agreed to their contracts. As part of our investigation, RingRite agreed to make improvements to ensure its customers would have permanent access to copies of the terms and conditions of their contracts, and would receive written information about their services at sign-up.

** Names of all parties have been changed.*

Recommendation 4:

The Code should contain clear obligations for telcos to give consumers written information showing the entire content of their agreement at the time they sign up for services, and for telcos to retain this information.

Recommendation 5:

The Code should contain explicit obligations for telcos to retain all records relevant to the sale for 24 months for marketing activities or for the duration of the contract.

Recommendation 6:

The Code should require telcos to keep contractual information relevant to a sale for the duration of the contract plus 24 months following contract expiry. These records should include (where relevant) the physical written contract a consumer signs, a call recording of the conversation where a consumer agrees to a contract over the phone, or a transcript of the webchat where the consumer agrees to a contract.

2.3 Critical information summaries should contain information about mandatory cancellation methods

We support clause 4.2 of the Code, which requires telcos to supply CISs for their services. These summaries contain important information about a service in an easily digestible, concise format.

While subclause 4.2.2 requires telcos to include information in a CIS about any applicable fees for terminating a service plan early, they are not currently required to include information about mandatory cancellation methods.

We receive complaints from consumers who have difficulty cancelling their service because they were not aware of their telco's required method for requesting a cancellation. Some of these consumers found their telco failed to cancel their service because they did not request cancellation "the right way". In some cases, the telco's failure to cancel services resulted in significant arrears building up on the consumer's account, or in the telco continuing to deduct charges after the consumer thought the service had been cancelled.

Systemic Investigation Case Study C: BlockTel's* Cancellation Procedures

We received a series of complaints from BlockTel customers, saying BlockTel failed to cancel their services on request. Affected customers reported BlockTel failed to action cancellation requests made over the phone or by email, or to record them in its notes. They also said BlockTel asked them to complete written cancellation requests online when they were unable to do so.

After we contacted BlockTel, it explained it requires customers to submit written cancellation requests so it can confirm various details and better support its customers if they have follow-up requests relating to the cancellation (such as requests relating to porting of telephone numbers or the relocation of services).

As part of our investigation, BlockTel agreed to make improvements to its cancellation procedures. The improvements included ensuring staff had the ability to take a more flexible approach to cancellations where a consumer is not able to make a cancellation request in writing, and introducing an automated procedure for some kinds of NBN cancellations.

** Names of all parties have been changed.*

Recommendation 7:

Clause 4.2 of the Code should be amended to require telcos to include information about any mandatory cancellation procedure for a service in that service's CIS.

2.4 The Code should prescribe information requirements about mobile coverage

Consumers rely on mobile services for many aspects of their day-to-day lives.¹³ With the recent introduction of the Telecommunications Service Provider (Customer Identity Authentication) Determination 2022,¹⁴ consumers also frequently need to use their mobile phones to receive passcodes required to verify their identity when dealing with their telcos. It is now more important than ever that consumers receive accurate information about mobile coverage when signing up for a mobile service.

Where a consumer receives inaccurate or unclear information about mobile coverage before signing up for a mobile service, it can have a significant impact on their ability to connect with employment, study, or essential services. The impact is higher for consumers living in rural, regional, or remote areas.

We receive complaints from consumers who received incorrect advice about the level of mobile coverage available at their address. Some consumers report their telco either misrepresented or did not check the coverage that would be available at their address before selling them a service. Consumers who purchase telco products based on these representations often find themselves left with expensive mobile devices they cannot use.

Clause 4.3.1(g) of the Code requires telcos make information available to consumers about 'the network coverage in Australia' for their mobile services, noting the information could include a map or diagram of the mobile coverage.

This obligation is vague and may not operate consistently to provide accurate and useful coverage information to consumers. Under current industry practice, each telco provides coverage information in its preferred format and in our experience different telcos may use different descriptors for coverage levels. This makes it difficult for consumers to accurately compare coverage information supplied by different telcos.

Case Study 3: Julia* received incorrect advice about the Moat Tel mobile coverage available on her farm

Julia lives and works on a farm in regional Victoria. Last year, she went to a Moat Tel store to sign up for a new mobile service. Before signing up for her new Moat Tel service, Julia asked Moat Tel to confirm whether it would be able to supply a service that would work on and around her farm.

Moat Tel told Julia it had recently done some upgrades on its mobile towers in her area. It assured her she would get good coverage.

When Julia took her new mobile phone home to the farm she discovered the Moat Tel coverage was very poor and she was not able to use her service reliably.

Julia called Moat Tel to complain about the coverage and ask to cancel her contract so she could change to a different telco. Moat Tel passed Julia between different call centre departments and did not address her concerns, so she contacted us to make a complaint.

¹³ Finding 2 – 'Information about mobile service reliability is not always provided', [TIO Systemic Investigation Report, Investigating complaints about essential mobile services](#), July 2022.

¹⁴ [Telecommunications Service Provider \(Customer Identity Authentication\) Determination 2022](#).

After we referred Julia’s complaint to Moat Tel, it resolved the complaint by waiving some outstanding charges on her account and confirming she could cancel her contract without paying termination fees, so she could change to a different telco.

** Names of all parties have been changed.*

Recommendation 8:

The Code should require telcos to supply clear and accurate information about network coverage levels for mobile services. This should include an obligation for coverage information to be supplied in a standardised format, to assist consumers when comparing telcos.

3 The current consumer protections for financial hardship are not supporting consumers to stay connected

In April 2023, we released our Thematic Review into Financial Hardship complaints, which provided an overview of complaints we received about financial hardship between 1 April 2021 and 31 March 2023.¹⁵ During this time, financial hardship complaints remained steady, but increased as a proportion of our complaint base in Quarter 3, 2023.

In May 2023, the ACMA released its report on telco financial hardship informed by its quantitative and qualitative research.¹⁶ The ACMA’s research indicated that 25 percent of Australians had experienced payment difficulty or concerns in the previous 12 months for a least one of their essential services bills, and 48 percent of those Australians had difficulty with their telco bill.

Complaints about financial hardship are an important focus for us because their impact on consumers can be severe, and they often affect the most vulnerable members of our community. Due to the essential nature of telecommunications services and the current cost of living challenges being faced by Australians,¹⁷ it is vital that consumer protections are appropriate to support consumers experiencing financial hardship to pay their bills and stay connected.

3.3 Telcos should be required to proactively identify consumers experiencing payment difficulties

Payment assistance is most effective where telcos proactively identify consumers who may need help and offer assistance early, before their circumstances become unmanageable.¹⁸ We see complaints where consumers experiencing payment difficulties contact their telco for help, but do not receive appropriate assistance because they do not mention the phrase “financial hardship”, or directly ask for help paying their bills.

¹⁵ [TIO Thematic Review, Our financial hardship complaints 2021 – 2023](#), April 2023.

¹⁶ [ACMA Report, Financial hardship in the telco sector – Keeping the customer connected](#), May 2023.

¹⁷ See Australian Bureau of Statistics, [CPI index \(March Quarter 2023\)](#), [Selected Living Cost Indexes](#) (March 2023).

¹⁸ Pages 11 – 12, [TIO Systemic Investigation Report, Responding to consumers in financial hardship](#), September 2021.

Our 2021 systemic report “Responding to consumers in financial hardship”¹⁹ revealed financial hardship can be a difficult topic for consumers and telcos to recognise and feel comfortable discussing.

Some consumers do not feel comfortable saying they are having trouble paying for their services. Some may not realise they are heading towards circumstances of hardship until their finances become unmanageable. Others are unaware their telco has a financial hardship policy and can help them work through their difficulties.

The ACMA’s recent research on financial hardship found low levels of community awareness about financial hardship assistance in the telco sector, with only 57 percent of the general population being aware telcos offer assistance for financial hardship.²⁰

We also see complaints where the telco’s system may show their customer could benefit from being made aware of options for financial hardship assistance. For example, two consecutive missed payments may indicate a consumer needs help paying for their service.

The Code does not contain a general obligation for telcos to be proactive in informing consumers about options for financial hardship assistance or offering help to consumers who may be struggling to pay. The Code’s obligations to inform consumers are limited to requirements for a telco’s reminder, restriction, suspension, and disconnection notices to refer consumers to its financial hardship policy under clause 6.7.

A requirement for telcos to proactively identify and offer help to consumers who may be experiencing payment difficulties would be consistent with obligations applying to other suppliers of essential services. Such a requirement could be modelled on regulations in the Victorian retail energy sector. These regulations require suppliers to contact consumers and offer assistance when certain conditions are met, such as the consumer having more than \$55 overdue on their account.²¹ While this regulation is specific to Victoria, other requirements exist nationally, with a focus on early intervention, and disconnecting consumers only as a last resort.

Clause 129(1) – (3) of the Victorian Energy Retail Code of Practice – Information about assistance available

(1) A residential customer who has not paid a bill by its *pay-by date* and who contacts the retailer is entitled to be given by the retailer information about the assistance to which the residential customer is entitled under this Division and how to access it.

(2) A residential customer who has not paid a bill by its *pay-by date* and who has arrears of more than \$55 (inclusive of GST) is entitled to be contacted by the retailer, within 21 business days after that *pay-by-date*, and given information about the assistance to which the residential customer is entitled under this Division and how to access it.

¹⁹ Page 11, [TIO Systemic Investigation Report, Responding to consumers in financial hardship](#), September 2021.

²⁰ Page 20, [ACMA Report, Financial hardship in the telco sector – Keeping the customer connected](#), May 2023.

²¹ See rule 129(2), [Victorian Energy Retail Code of Practice](#); section 44(a)-(b), [National Energy Retail Law, Schedule to the National Energy Retail Law \(South Australia\) Act 2011](#).

(3) The *retailer* must allow the *residential customer* no less than six *business days* to consider the information given under subclauses (1) or (2), request information, and put forward a payment proposal under clause 130.

Recommendation 9:

The Code should include obligations for telcos to proactively identify and offer assistance to consumers who may be experiencing payment difficulties. This should include obligations for a telco to offer help to any consumer receiving a restriction, suspension, or disconnection notice (rather than only referring the consumer to its financial hardship policy).

3.2 The title “Financial Hardship” should be reviewed because it is not inclusive

Our complaints show that consumers who require help dealing with difficult financial circumstances may not identify with the term “financial hardship”. These consumers are more likely to describe their circumstances in different ways, such as “struggling”, “being in financial difficulty”, or “having trouble paying”.

The requirement for telcos to offer these consumers help should have an inclusive title that encourages those who need help to identify with it. Recent Victorian energy sector reforms have moved away from the term “financial hardship” to “payment difficulties” for this reason.

Recommendation 10:

The references in the Code to “financial hardship” should be replaced with more accessible terminology. We suggest a title modelled on the one used in the Victorian energy sector, such as “Assistance for consumers anticipating or facing payment difficulties.”²²

3.3 The current definition of “Financial Hardship” should be revised to include all consumers needing support

The definition of “Financial Hardship” contained in the Code is restricted to circumstances where:

- i) a Customer is unable to discharge the financial obligations owed by the Customer under their Customer Contract or otherwise discharge the financial obligations owed by the Customer to a Supplier, due to illness, unemployment, being the victim of domestic or family violence or other reasonable temporary or ongoing cause, and

²² See Part 6 ‘Assistance for residential customers anticipating or facing payment difficulties’, [Victorian Energy Retail Code of Practice](#).

- ii) the Customer believes that they are able to discharge those obligations if the relevant payment arrangements or other arrangements relating to the supply of Telecommunications Products by the Supplier to the Customer are changed.

This definition limits the acceptable causes of consumers' financial difficulty to those contained in a list, and includes an open-ended reference to "other reasonable temporary or ongoing" causes. This reference allows telcos discretion to determine what a reasonable cause of hardship is. We see cases where telcos apply the definition in different ways, including between different complaints against the same telco. The definition also restricts assistance to only those consumers who believe a change in their payment arrangements would allow them to discharge their financial obligations.

The definition allows telcos to distinguish between "Financial Hardship" payment arrangements and other kinds of assistance, such as deferred payment of bills or charges (some telcos call these "Promises to Pay").

We receive complaints where a telco claims:

- "Promises to Pay" do not trigger their financial hardship obligations, allowing them to continue credit management action like applying late payment fees, or
- they did not previously offer a consumer "financial hardship assistance" because the consumer did not explicitly ask for assistance under the telco's financial hardship policy.

Both the cause of a consumer's financial difficulty, and their personal belief about their capacity to pay, should be irrelevant to their entitlement to assistance.

In our recent publications about financial hardship, we used a more inclusive definition for the term, describing any financially vulnerable consumers who are struggling to pay, whether or not their telco has formally assessed them as being in hardship.²³

Case Study 4: TelStar* said 'Promise to pay' arrangements were not covered by the Code**

Mya contacted us about TelStar and its approach to hardship. Mya asked for help to negotiate a hardship arrangement with TelStar for an outstanding amount of almost \$1,500. During conciliation, TelStar initially offered a 15-month repayment plan that added a late payment fee of \$20 each month, adding \$300 in late fees to the repayment plan.

When we questioned this, TelStar said the TCP Code did not cover "Promise to Pay" arrangements and TelStar could legitimately charge late payment fees. TelStar said the late payment fee was to incentivise against continued late payment or payment delinquency.

We pointed out that if TelStar and Mya were agreeing to a payment plan, then Mya was likely to qualify for financial hardship assistance under the Code.

**Names of all parties have been changed.*

²³ Page 4, [TIO Systemic Investigation Report, Responding to consumers in financial hardship](#), September 2021; page 3, [TIO Thematic Review, Our financial hardship complaints 2021 – 2023](#), April 2023.

*** A version of this case study first appeared in our 2020 submission to [Part C of the Telecommunications Consumer Safeguards Review](#).*

Recommendation 11:

The Code should not allow a distinction between “financial hardship assistance” and other kinds of payment arrangements such as “Promises to Pay”. The Code should clarify that the obligations to assist consumers apply to *all* consumers experiencing or anticipating payment difficulty. This should apply irrespective of the cause of that difficulty, or the consumer’s personal belief about their capacity to pay.

3.4 Payment assistance should be fair and tailored to the consumer

Existing consumer protections about financial hardship are broad and non-prescriptive. Clause 7.6.1 of the Code requires telcos to provide flexible repayment options that meet a consumer’s individual circumstances “where possible”. It does not require them to tailor arrangements to a consumer’s needs as a primary consideration.

We receive complaints from consumers who say they are dissatisfied with their telco’s offer of payment assistance. Our cases show inconsistent approaches to assistance between telcos and even between complaints lodged against the same telco. Sometimes telcos offer tailored assistance while others, they offer a rigid “one size fits all” approach.

We see cases where telcos:

- routinely offer a payment extension of a week or two in the first instance (without asking about the consumer’s circumstances)
- require a consumer to pay down debt to a certain level before agreeing to offer further help
- place pre-determined limits on the duration of payment arrangements, irrespective of the individual consumer’s circumstances
- offer some kinds of assistance only to consumers on a particular account management system.

Generic offers of assistance may not work for every consumer and there is a risk that consumers will accept unsuitable payment arrangements to keep their services connected. This short-term benefit may only prolong, rather than help overcome, a consumer’s financial problems.

We also see complaints where the telco refuses to alter an existing payment arrangement when a consumer’s circumstances change. Clause 7.6.4 of the Code only requires telcos to “review” an existing arrangement if a consumer advises that their circumstances have changed. It falls short of requiring telcos to ensure arrangements are modified to ensure they remain suitable after a consumer advises of a change in their circumstances.

As we recommended in our 2021 report,²⁴ effective assistance for consumers experiencing payment difficulties should be tailored to their personal circumstances. The Code does not

²⁴ [TIO Systemic Investigation Report, Responding to consumers in financial hardship](#), September 2021.

sufficiently emphasise the importance of considering a consumer's individual circumstances (including where those circumstances change).

Case Study 5: Herb's* telco did not consider his financial circumstances**

When Herb's Centrelink benefits were reduced, he quickly fell behind on his mobile phone bills with StrayComms. Herb had limited English, so he asked a friend to contact StrayComms on his behalf.

Herb's friend explained his financial situation and asked StrayComms to give Herb a flexible payment arrangement. StrayComms said it would only offer a flexible plan if Herb made an upfront payment of \$500 towards his debt. Herb could not afford this.

StrayComms declined to make any other offer and did not appear to factor in any of Herb's surrounding circumstances or good payment history.

With no other options, Herb contacted our office for assistance. By sending a complaint through our office, Herb was able to come to an agreement with StrayComms on an arrangement he could afford.

**Names of all parties have been changed.*

*** This case study first appeared in our 2021 Systemic Investigation Report 'Responding to consumers in financial hardship'.*

Case Study 6: Sarah's* telco refused to modify her payment arrangement when her income reduced

When Sarah's work hours reduced earlier this year, she struggled to pay for her mobile phone plan with Canyon Connect. She called Canyon Connect to explain her circumstances and ask for help. Canyon Connect agreed Sarah could pay off her outstanding charges in fortnightly instalments.

Last month, Sarah lost her job. Her income reduced, as Centrelink payments were her only form of income. Sarah contacted Canyon Connect again and asked it to reduce the amount she needed to pay each fortnight under her payment arrangement.

Canyon Connect refused to alter the arrangement because Sarah had missed one of the agreed payments a week before she lost her job.

Sarah complained to our office and we referred her complaint to Canyon Connect. Canyon Connect eventually reconsidered its position and agreed Sarah could pay off her debt in smaller amounts over a longer period of time.

**Names of all parties have been changed.*

Recommendation 12:

The Code should require telcos to provide tailored assistance for consumers experiencing or anticipating payment difficulties.

Recommendation 13:

The Code should require telcos to assess and change a consumer's payment arrangements if the consumer's circumstances change.

3.5 The Code should be more prescriptive about the assistance options telcos must offer when a consumer is experiencing payment difficulties

The Code is not sufficiently prescriptive about what options for assistance telcos must offer. Clause 7.2.2 sets out the options a telco must offer its consumers for keeping their services connected, and for suitable financial arrangements. It requires telcos to offer at least three options from each of the following categories:

- (a) Options for keeping the Customer connected:
 - i. Spend controls
 - ii. Restriction of service, in respect of overall or specific services
 - iii. Transferring the Customer to a Pre-Paid service
 - iv. Transferring the Customer to a contract which includes hard caps or Shaping; or
 - v. Low cost interim options until the Customer can continue with original payments.

- (b) Options for suitable financial arrangements:
 - i. Temporarily postponing or deferring payments (for a longer period than would typically be offered to Customers requesting an extension outside of Financial Hardship arrangements)
 - ii. Agreeing on an alternative arrangement, plan or contract, including discussing Pre-Paid services
 - iii. Discounting or waiving of debt
 - iv. Waiving late payment fees
 - v. Waiving cancellation fees
 - vi. Incentives for making payments, for example payment matching.

Clause 7.2.2 does not require a telco to make all (or any number of) the above options available to all its customers. Instead, it requires a telco to offer at least three options from each of the above lists to its 'Customers' in general.

The Code allows telcos to consider their own technical or operational preferences before an individual consumer's needs when determining what assistance to offer. We receive complaints where a consumer was refused appropriate assistance because of the kind of account or billing system their service uses (such as Automatic Payments).

What are Automatic Payments?

Telcos sometimes refer to these payment methods as operating on a “subscription model”. Typically, plans operating on this model have set charges each month and the telco deducts the charges from the consumer’s bank account or credit card in advance by direct debit. The consumer often does not receive a bill before the payment is deducted. Information about the consumer’s current billing cycle and upcoming charges is usually available in some form on the telco’s website or app.

Automatic Payments are becoming increasingly prevalent across the industry, with several major telcos now only accepting Automatic Payments for most new services.

To assist telcos in offering the right assistance to consumers, and support greater consistency across the sector, the Code should contain clear, prescriptive obligations outlining the assistance options all telcos must offer.

Case Study 7: Hector’s telco said it could not help him because his service used Automatic Payments*

Hector has landline and internet services with Bounce Net. He is a pensioner, and government payments are his only form of income. Because his income is limited, Hector needs to budget his fortnightly pension payments carefully.

Last year, Hector had to pay an unexpected expense that disrupted his fortnightly budgeting. Because of this, he was not able to pay the full monthly amount of his Bounce Net charges when they came due. He contacted Bounce Net to ask for help setting up a payment arrangement.

Bounce Net said Hector’s services were on a billing system that only accepts Automatic Payments. Because of this, it said it could not offer any financial hardship assistance other than cancelling his services and moving them to prepaid.

Hector did not want to move his services to prepaid. He lodged a complaint with our office.

During the TIO conciliation process, Bounce Net’s case manager said there was no way for them to offer traditional financial hardship assistance because of the limitations of the billing system Hector’s account was on. Bounce Net explained the only option was for Hector to return his mobile handset, cancel the services and move to prepaid. Ultimately, Bounce Net agreed to resolve the complaint by waiving some of Hector’s charges so he could continue paying using Automatic Payments in future.

**Names of all parties have been changed*

Recommendation 14:

The Code should be more prescriptive about the assistance options telcos must offer to consumers experiencing or anticipating payment difficulty.

Recommendation 15:

The Code should explicitly require the mandatory assistance options to be available to all of a telco's customers, irrespective of the telco's system limitations (such as those imposed by the telco's choice of billing system).

Recommendation 16:

At a minimum, the Code should require telcos to offer the following options for payment assistance:

- (a) an option for the consumer to pay off debt in regular manageable instalments over an appropriate period of time based on their individual circumstances (including long-term payment arrangements in excess of 12 months)
- (b) an option to reduce the consumer's ongoing charges for an appropriate period of time (for example, to allow them to overcome a temporary financial shock)
- (c) an option for the consumer to cancel services or transfer them to less expensive plans (including prepaid) without paying cancellation fees.

3.6 Barring, suspension, and disconnection notice requirements should be clarified and strengthened

We receive complaints from consumers who say their service was disconnected without receiving a disconnection notice.

With the ongoing expansion of Automatic Payment systems in the telco sector, we are increasingly seeing complaints where consumers say their telco disconnected their service without notice after they missed a single Automatic Payment. When this occurs, the telco often charges the consumer the entire remaining cost of associated equipment (such as a mobile handset) as a lump sum. When the consumer contacts their telco to make the missed payment, the telco often refuses to reinstate the consumer's plan, even if the missed payment that triggered the disconnection was caused by a mistake or system error. Sometimes the telco gives the consumer only a short period of time to pay the extra charges.

Subject to exceptions for unacceptably high credit risk and suspected fraud, clause 6.7 of the Code requires a telco to give a consumer at least five working days' notice before barring, suspending, or disconnecting a service for credit and/or debt management reasons. For these purposes, the Code defines 'Credit Management' as the process by which a telco:

- (a) helps customers to manage their expenditure on telecommunications services
- (b) manages any credit risk [to the telco], or
- (c) collects outstanding debts from customers, or former customers.

This definition does not refer to missed Automatic Payments directly. The current rules in clause 6.7 are likely to cover barring, suspension, or cancellation following missed Automatic Payments. However, the complaints we receive about these services being disconnected without notice show some telcos may not be applying clause 6.7 consistently across all services. Explicitly referring to the barring, suspension or disconnection of services paid for by Automatic Payments in clause 6.7 would clarify that these services are covered by the notice requirements.

Case Study 8: Jordan's* service was disconnected after they missed one Automatic Payment

In the months leading up to their complaint, Jordan had a mobile service with Telecare. Jordan's life had been stressful in those months, as their partner had lost her job and this had caused disruption to their routine and reduced the income available to their household.

Things became more stressful for Jordan when their mobile phone suddenly stopped working. Using a friend's phone, they called Telecare to ask what had happened. Telecare told Jordan their last automatic payment for their mobile service had not gone through. It said it had waited until the end of Jordan's billing cycle before disconnecting their service. Because of this, Telecare put payout fees of around \$1,300 on Jordan's account for their mobile handset.

Jordan had not received any notice that their service would be disconnected. Even though they explained their circumstances and offered to pay the missing payment, Telecare refused to reinstate their mobile plan or set up a long term payment arrangement for the handset charges. Telecare offered to waive some of the charges, but said Jordan had only two weeks to pay off the remaining debt.

**Names of all parties have been changed*

Recommendation 17:

The revised Code should explicitly apply the notice requirements for barring, suspension, and disconnection of services to situations where the barring, suspension, or disconnection occurs following a missed Automatic Payment.

Recommendation 18:

Where a telco disconnects a consumer's service in contravention of the disconnection notice requirements, the Code should require the telco to reinstate the service.

3.7 Suspension or disconnection of a consumer's telco services should be a last resort

The complaints we receive about unannounced disconnection of consumers' services show there is a need for consumer protection rules to emphasise the importance of consumers staying connected to their telco services.

The suspension or disconnection of telco services should be a last-resort measure, considering the essential nature of telco services.

A consumer's services should only be disconnected for non-payment after a telco has proactively offered them reasonable payment assistance options and those options have been exhausted. This is particularly important considering the ACMA's research showing low levels of awareness in the Australian community about financial hardship assistance in the telco sector.²⁵

The current rules allowing telcos to disconnect services with five working days' notice do not reflect the essential nature of telco services. The notice period should give consumers enough time to seek and receive help by contacting their telco or a financial counsellor. The Code could also contain better guidance about what levels of suspension may be appropriate before disconnecting a consumer's services.

Recommendation 19:

The Code should specify that barring, suspension, and disconnection of services should be considered only as a last resort after a telco has proactively offered and exhausted payment assistance options.

Recommendation 20:

The Code should require telcos to give consumers sufficient notice before disconnecting their services. At a minimum, telcos should be required to:

(a) send a disconnection warning notice, followed by a separate disconnection notice, before disconnecting

(b) make genuine attempts to contact the consumer to discuss payment assistance options in addition to sending the notices.

²⁵ Page 20, [ACMA Report, Financial hardship in the telco sector – Keeping the customer connected](#), May 2023.

3.8 Reminder, barring, suspension, and disconnection notices should list our contact details

Our office also plays an important role in assisting consumers experiencing or anticipating payment difficulties. We receive complaints from consumers experiencing or anticipating payment difficulties, who have not been able to reach their telco to discuss their options. This is only possible where the consumer knows they can contact us for help.

While clauses 6.6 and 6.7 of the Code require a telco to include information about its financial hardship policy in reminder, suspension, and disconnection notices, there is no requirement to include our contact information in these notices.

The energy sector has recognised the importance of educating consumers about the help ombudsman schemes can offer where payment difficulties may arise. The Australian Energy Regulator has recently introduced a requirement into its Better Bills Guideline requiring energy bills to list the relevant energy ombudsman's contact details on bills.²⁶

Requiring our contact information to be included in these notices would be consistent with the essential nature of telco services, and with current requirements in the energy and water sectors.

Clause 26.1 – South Australian Water Retail Code (Major Retailers) – Restriction warning notices

26.1.1 A restriction warning notice is a notice issued by a retailer to warn a customer that the customer's supply address will or may have the supply of water services restricted in accordance with clause 26.

26.1.2 A restriction warning notice must:

(a) state the date of its issue;

...

(g) include details of the existence and operation of the industry ombudsman scheme.

Case Study 9: Yvonne* was not able to reach her telco to ask for payment assistance**

Yvonne is a pensioner and government Centrelink payments are her main form of income. Until recently, she had a mobile service with BranchTel. Late last year, Yvonne began struggling financially. Her rental payments had increased, and she could no longer afford to pay for her BranchTel mobile service.

Because she could not afford it anymore, Yvonne cancelled her mobile service. Yvonne knew cancelling her service would cause BranchTel to add an extra fee to her BranchTel account to pay off remaining charges for her mobile phone. The extra charges turned out to be about \$900, which Yvonne could not afford to pay all at once.

²⁶ Clause 40(l)(ii), Australian Energy Regulator, Better Bills Guideline Version 2, 30 January 2023.

Using her landline, Yvonne called BranchTel to ask for help. BranchTel assigned a staff member to speak with Yvonne, but the staff member did not contact her and did not return her calls. Yvonne contacted us, and we referred her complaint to BranchTel.

After we contacted BranchTel, it resolved Yvonne’s complaint by reducing her final charges to \$400 and setting up a plan to pay the charges off in weekly instalments over four months.

**Names of all parties have been changed.*

*** A version of this case study first appeared in our 2023 Thematic Review ‘Our financial hardship complaints 2021 – 2023’.*

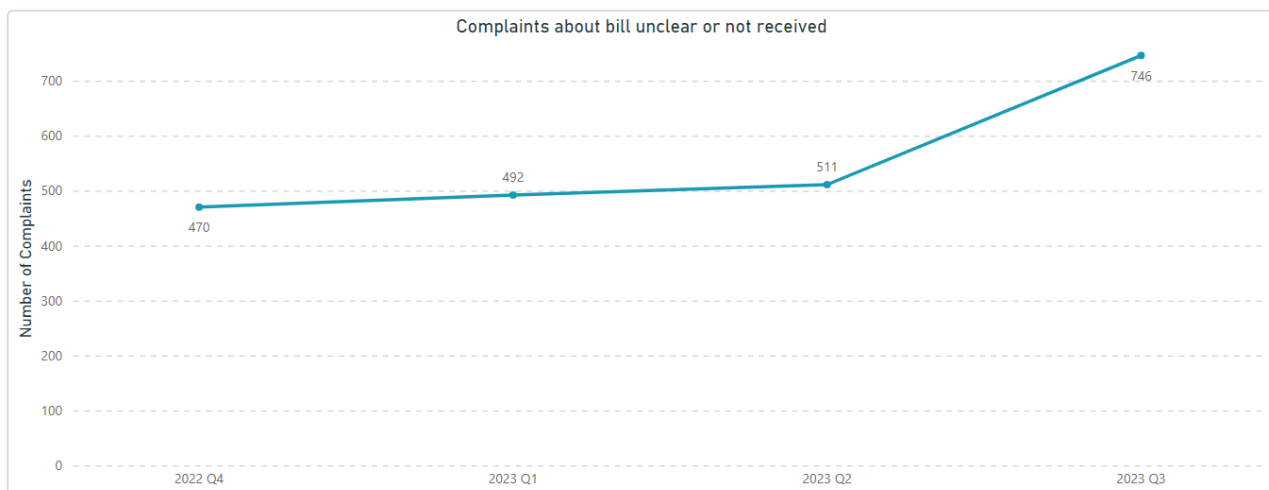
Recommendation 21:

The Code should require telcos to include information about the TIO, including our free 1800 phone number and web address, on all reminder, barring, suspension, and disconnection notices.

4 Consumers need clear bills and a choice of flexible payment methods

4.1 Consumers should be entitled to receive an accurate, itemised bill in all circumstances

We receive complaints from consumers who have difficulty accessing billing information about their telco services because they do not have access to traditional bills for those services.



Where the information is available on a website or app, these consumers report difficulty accessing the information because:

- they do not have working internet
- their telco’s website or app is not working properly, or is displaying incorrect information

- they struggle to access the information because they have low levels of digital literacy.

As our office has observed in recent publications,²⁷ the environment the telco industry operates in has undergone significant changes in recent years. One of the larger changes that has occurred since the Code was implemented has been the industry's shift away from traditional billing practices towards Automatic Payments.

The Code's rules about billing are contained in Part 5. Clause 5.2.1 requires telcos to issue a bill to a current or former customer for each current billing period, but it contains exceptions for:

- a) pre-paid services, and
- b) provided the consumer's monthly charges do not change by more than 10%, post-paid services where the consumer pays by direct debit.

Given the shift to Automatic Payments as the primary payment method, these exceptions now cover an increasingly large proportion of all telco services in Australia.

Consumers should be entitled to accurate information about what they will pay for their telco services and how their charges are calculated *before* any payment is made. This is best achieved by a clear obligation for telcos to issue invoices for all telco services. Such an obligation would bring the telco sector in line with other industries supplying essential services to the Australian community, such as the energy sector.²⁸

Case Study 10: Bruce struggled to understand ZephyrDial's Automatic Payment system*

Bruce contacted his telco ZephyrDial to sign up for new services. Because ZephyrDial had recently changed its billing systems to use Automatic Payments only, the way he paid for his new services changed.

Bruce struggled to understand how his billing worked and when charges would be deducted from his bank account. He also noticed several of the amounts being deducted from his account were irregular and he did not understand why. When he tried to access his billing information on ZephyrDial's app, it either did not display the information or suggested a different charge amount to what was later debited from his account.

Bruce contacted ZephyrDial asking for an explanation of the charges. ZephyrDial was not able to explain the differing charge amounts and Bruce lodged a complaint with us.

When we investigated the complaint, ZephyrDial said it was only able to supply service usage information and not invoices showing a break-down of Bruce's charges.

* Names of all parties have been changed.

Recommendation 22:

The Code should contain a universal requirement for telcos to supply bills to their

²⁷ See [TIO Systemic Investigation Report, Investigating complaints about essential mobile services](#), July 2022; [TIO Thematic Review, Our financial hardship complaints 2021-2023](#), April 2023.

²⁸ See e.g., Rule 24, [National Energy Retail Rules](#); Rules 57, 62, [Victorian Energy Retail Code of Practice](#) – requiring energy retailers to issue bills to all 'small customers' without any exceptions based on payment method.

customers before charges for a billing cycle come due or are deducted. The requirement should apply irrespective of the consumer's payment method. Bills should include an itemised list of all charges and service usage information for the relevant billing period.

4.2 Telco bills should be simple and easy for consumers to understand

We receive complaints from consumers who have difficulty understanding the charges on their telco bills. This is often the case where consumers are billed for multiple products and services.

We support the retention of bill content requirements in the Code. As noted above, it is important that consumers understand what they are being charged for.

The Code review is an opportunity to review the current bill content requirements to ensure they remain fit for purpose.

Australian Energy Regulator – Better Bills Guideline

The need for easy to understand and simple bills has been recognised in the energy sector, with updates made to the National Energy Retail Rules in 2021.²⁹ These changes required the Australian Energy Regulator (AER) to develop a mandatory guideline to make it easier for consumers to pay their energy bills, verify their bill conforms to their contract, understand their usage, and find the best available offer.

The AER's Better Bills Guideline requires energy retailers to:

- a) Use simple language
- b) Make the bill easy to understand
- c) Make the most important information most prominent
- d) Order the bill to make it easy to understand
- e) Design with practices proven to enhance consumer comprehension.

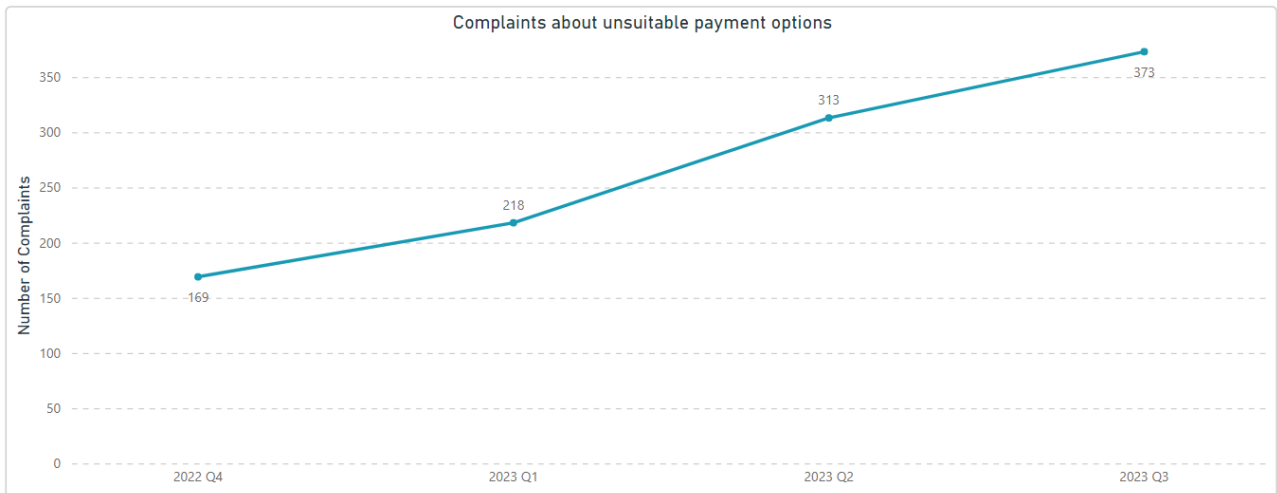
Recommendation 23:

In addition to the current bill content requirements in clause 5.3.1 of the Code, the Code should require telcos to provide consumers bills that are simple and easy to understand.

²⁹ See Rules 25 and 25A, National Energy Retail Rules.

4.3 Consumers should have a variety of accessible payment options for their telco services

We receive complaints from consumers who say their telco did not offer them a suitable payment option.



Several of these consumers complained about Automatic Payments or other direct debit payments being the only payment option available to them. Consumers say Automatic Payments are not suitable for them for a variety of reasons, such as:

- their telco's direct debit dates do not align with the payment cycle of their employer or other source of income, making it difficult for them to manage their finances
- they do not understand or trust automatic payment methods
- they are accustomed to paying in smaller, more frequent amounts and being unable to do this makes it difficult for them to budget.

The recent shift to Automatic Payments has resulted in many consumers having less choice about how and when they pay for their telco services.

Automatic Payments can be uniquely unsuitable for consumers experiencing financial vulnerability. These consumers often receive government benefits such as the aged pension, disability support pension, or JobSeeker as their only form of income. We have previously noted direct debit payments can add an additional layer of complexity for consumers experiencing payment difficulties, as direct debit can reduce their capacity to control their payments.³⁰

The Code does not prescribe the payment options telcos must offer their customers. Clause 5.6.1 specifies only that they must offer at least one payment option that does not incur additional processing fees.³¹ As noted above, several major telcos now offer only one payment option for most of their new services, and this is possible because the Code is largely silent about payment methods.

³⁰ Page 3, [TIO Thematic Review, Our financial hardship complaints 2021 – 2023](#), April 2023; pages 26 – 27, [TIO Systemic Investigation Report, Investigating complaints about essential mobile services](#), July 2022.

³¹ Clause 5.6.1 only requires a payment method free of payment processing fees imposed by the telco (not third parties such as banks).

Case Study 11: Automatic Payments were not suitable for Edgar's* circumstances

Edgar has had landline, internet, and mobile services with ChronoCall for several years. He is a pensioner, and fortnightly government payments are his only form of income. For years, he had budgeted to pay part of his pension into his ChronoCall account so there would be enough credit on the account when his monthly charges came due. He was able to do this because ChronoCall accepted smaller, part-payments of his bill every fortnight.

Recently, ChronoCall changed its billing system. It now only accepts Automatic Payments on a set day each month for that whole month's charges. These changes were very disruptive to Edgar's budgeting. He was worried he would not be able to make the funds from his fortnightly pension payments fit into ChronoCall's automatic payment cycle.

Edgar contacted ChronoCall. He explained the Automatic Payment method was not suitable for his circumstances, as he needed to budget very carefully with his limited pension income every fortnight to make sure he could afford food, rent, and medical expenses.

ChronoCall told Edgar it had changed its billing systems and it would not accept any other payment method. It said if Edgar did not like its new payment method, he could change to prepaid services or seek services with a different telco.

Edgar complained to our office. While ChronoCall offered Edgar a goodwill credit to resolve the complaint, we were not able to require ChronoCall to offer him a more suitable payment method.

** Names of all parties have been changed.*

4.4 The Code should prescribe accessible payment options

Requiring telcos to offer a variety of accessible payment options would address the cause of the complaints we receive from consumers saying their telco did not offer them a suitable payment option.

Telco consumers should always have the option to use a payment method that is not automatic or based on direct debits. Automatic Payments are inherently unsuitable for some consumers. Having the option to use a non-automatic payment type empowers consumers to prevent unauthorised or unexpected payments if they experience or suspect problems with their telco's payment system.

Including prescribed payment methods in the Code would be consistent with similar obligations for suppliers of other essential services such as energy and water services.³²

³² Several Australian jurisdictions prescribe non-automatic payment methods for suppliers of these utilities. See eg, clause 13.7, [Australian Capital Territory Utilities Consumer Protection Code 2020](#); clauses 72, 126, [Victorian Energy Retail Code of Practice](#); rule 32, [National Energy Retail Rules](#).

Clause 23.1 – South Australian Water Retail Code (Major Retailers)³³ – Payment methods

23.1.1 A retailer must offer at least the following payment methods to its customers:

- (a) in person at a network of agencies or payment outlets;
- (b) by mail;
- (c) by direct debit under a payment arrangement agreed by the customer, the retailer, and an ADI nominated by the customer
- (d) by BPay
- (e) by credit card, and
- (f) over the phone.

23.1.2 Nothing in this industry code prevents a retailer from providing payment options in addition to those specified in this clause.

Clause 23.2 – Payment by Centrepay

23.2.1 A retailer must permit payment using Centrepay as a payment option by a residential customer.

Recommendation 24:

The Code should prescribe mandatory payment methods for telcos to offer all consumers. The mandatory payment methods should at a minimum include:

- (a) at least one method that is not automatic or based on direct debit, and
- (b) for those consumers who use and request it, Centrepay.

4.5 Telcos should be required to refund incorrect direct debit payments within a set timeframe

We regularly receive complaints about problems involving direct debit payments.

Some of these complaints are from consumers reporting their telco:

- used their bank details for direct debit payments without their consent
- debited the same charge from their account twice
- debited charges earlier than agreed or for a higher amount than agreed, sometimes including fees to pay off mobile handsets or other telco equipment.

³³ South Australian Water Retail Code – (Major Retailers).

Consumers affected by incorrect or unauthorised direct debit payments sometimes say they did not have sufficient funds in their bank account, and received an account overdraw fee from their bank. In some cases, an unexpected direct debit leaves a consumer without money to pay for other essentials such as food or rent.

Clause 5.7.1(g) of the Code requires telcos to ensure consumers receive “timely” refunds for incorrect direct debits. The Code does not specify a timeframe within which refunds must be processed.

Inserting a mandatory refund timeframe into the Code would ensure consumers receive refunds in a timely fashion and are not disadvantaged when errors occur in direct debit systems.

Systemic Investigation Case Study D: A technical issue causes problems for Quest Net* customers paying by direct debit**

Quest Net sells mobile, internet, and landline services. Its newer mobile plans are only available to consumers who pay by direct debit. We received complaints from Quest Net customers who said their direct debit payments to Quest Net were failing even though there was money in their bank account.

Some of these consumers said the payment failed when Quest Net tried to process it using outdated banking information. These consumers said they had updated their details and a \$1 test payment had gone through successfully, but all following payments failed. Consumers said Quest Net restricted their services and charged them late payment fees because of the failed direct debits. Other Quest Net customers told us Quest Net had processed direct debits for more than the agreed amount or earlier than the agreed date. Some of these consumers said the direct debit left them without money to pay for essentials like food, rent, or other bills.

We began an investigation and worked with Quest Net to address the cause of the problems. Quest Net found system errors that were causing the problems and introduced validation checks to correct some of the errors. It also agreed to change its systems so it would not process more than one direct debit, per customer, per month. Quest Net’s improvements significantly reduced the number of complaints we receive about its failed direct debits.

** Names of all parties have been changed.*

*** This case study first appeared in our 2022 Systemic Investigation report ‘Investigating complaints about essential mobile services.’*

Case Study 12: Iggy* paid double after moving to a direct debit only plan**

Iggy went to a Phone Hawk store and upgraded to a new plan and mobile. While at the store, Iggy explained they made payments each fortnight to manage their finances, and they wanted this to continue. Iggy said Phone Hawk confirmed several times that they could continue doing this, and Iggy would not need to pay by direct debit.

Despite making fortnightly payments as agreed, Phone Hawk’s mobile app showed an automatic payment was coming up. Iggy called Phone Hawk, who assured them the account was not set to direct debit payment.

While Phone Hawk said it would not deduct the payment, on the date shown in the mobile app, it direct debited \$400 from Iggy’s bank account. As Iggy had already paid their account, the second payment meant Iggy did not have money for food or petrol.

After Iggy complained to us, Phone Hawk agreed to refund the \$400 to them.

Phone Hawk explained the plan Iggy had signed up for could only be paid for by direct debit, and Iggy agreed to use direct debit to pay for the service in future.

** Names of all parties have been changed.*

*** This case study first appeared in our 2022 Systemic Investigation report ‘Investigating complaints about essential mobile services.’*

Recommendation 25:

The Code should require telcos to refund incorrect or unauthorised direct debit payments within a prescribed timeframe.

Recommendation 26:

The Code should clarify that any funds debited from a consumer’s account after the consumer advises they dispute charges or have withdrawn their authority for direct debit payments must always be refunded to the consumer, irrespective of whether the charges were otherwise valid.

5 Protections for consumers experiencing domestic or family violence should be consistent and enforceable

Consumers experiencing domestic or family violence (DFV) can be among the most vulnerable in our community. It is vital any consumer protection regime operating in the telco sector recognises the detrimental impact of DFV by including strong protections for those affected.

We receive complaints from consumers experiencing DFV who say the way their telco dealt with them exacerbated their vulnerability. In some cases, the actions of a telco expose a consumer experiencing DFV to greater risk or make them feel unsafe.

Key issues we see in our complaints are:

- telcos not recognising when a consumer is experiencing DFV

- telcos disconnecting the services of a consumer experiencing DFV when access to those services is critical to them staying safe
- telcos insisting a consumer experiencing DFV contact or communicate with the perpetrator of DFV against them, to deal with a complaint issue
- the serious consequences for consumers experiencing DFV when a telco discloses their personal information without their consent
- the relationship between DFV and consumers experiencing payment difficulties – DFV can cause or exacerbate a consumer’s financial vulnerability. In some complaints, the provider refuses to accept DFV as a factor contributing to the consumer’s payment difficulties.

We are pleased Communications Alliance has worked with stakeholders (including with organisations representing people experiencing DFV) to develop a guideline to help telcos understand how they can assist consumers experiencing DFV (the Guideline).³⁴

However, as the Ombudsman observed in a recent presentation to a meeting of the Economic Abuse Reference Group, compliance with the Guideline is not mandatory and the regulator cannot investigate breaches of it. Because of this, the assistance a consumer experiencing DFV can expect to receive from their telco currently depends on what protections that telco has chosen to implement.

Protections for consumers experiencing DFV should be uniform and mandatory across the telco sector. Making the protections mandatory and including them in direct regulation would ensure victim-survivors are entitled to the help they need, irrespective of the telco their services are with. It would also assist telcos by giving them certainty about the appropriate way to help customers experiencing DFV.

We understand Communications Alliance is considering incorporating key parts of the Guideline into the Code. While we support making DFV protections mandatory, they are more appropriately located in consolidated direct regulation, rather than an industry code. In the absence of direct regulation, we support the inclusion DFV consumer protections in the Code.

Case Study 13: Nethra* was given the wrong advice and treated inconsistently by staff**

Nethra left a long-term relationship involving family violence and needed help separating her mobile services from her husband’s account. Nethra contacted Mode Telco and explained her situation. Mode Telco told Nethra it could transfer the mobile services she was using to a new account, but only with the consent of the account holder (her husband).

Mode Telco contacted Nethra’s husband on her behalf, seeking his consent for the transfer of the number. When Nethra received an email confirming the transfer, she was shocked to see that Mode Telco had transferred all the services on her husband’s account into her name, not just the mobile services. This included an outstanding debt and ongoing monthly costs. Nethra contacted Mode Telco again, emphasising that she did not agree to

³⁴ [Communications Alliance Industry Guideline G660:2023, Assisting Consumers Affected by Domestic and Family Violence.](#)

this. Mode Telco told Nethra she would need to pay almost \$1000 to terminate the services.

Nethra contacted us for help. Nethra told us she was upset because Mode Telco called her several times, asking for her husband's contact details and giving Nethra updates on her husband's account. Nethra said this made her extremely uncomfortable. She didn't want to provide her husband's contact details and was worried he would realise she did this and contact her about it.

** Names of all parties have been changed.*

*** This case study first appeared in our 2020 Systemic Investigation report 'Meeting the needs of consumers impacted by family violence.'*

Recommendation 27:

The Code should include mandatory protections for consumers experiencing DFV.

Recommendation 28:

The mandatory protections for consumers experiencing DFV should include, at a minimum:

- (a) requirements for a telco to have a binding DFV policy that clearly sets out how it will identify and assist consumers experiencing DFV
- (b) requirements for all telco staff who deal with consumers (and their managers) to receive ongoing training in how to assist consumers experiencing DFV
- (c) requirements for telcos to have a secure process to assess and identify whether a consumer is affected by DFV, that avoids the need for the consumer repeatedly disclose or refer to their experience
- (d) requirements for telcos to recognise DFV as a likely cause of payment difficulties, and consider the impact of any service suspension or disconnection for the consumer before starting credit management or debt collection activity
- (e) rules prohibiting a telco from requiring a consumer to communicate with or disclose information about a perpetrator of DFV against them as part of dealing with an enquiry
- (f) rules specifying that if a telco cannot comply with a contractual obligation because of its obligations to a consumer under the DFV protections, it is not in breach of its contract.

6 We support other minor amendments to the Code

Drawing on our experience handling telco complaints, we have identified the following areas where the Code could be improved to better achieve its purpose of providing robust consumer protections.

6.2 The Code should not confer powers on the TIO to handle complaints under the Code

As we explained in our submission to the 2018 review of the Code, we do not require the Code to confer power on our office under section 114 of the Telecommunications Act 1997 (Telco Act) to deal with complaints involving the Code (or any other industry code).

There is no need for industry codes to confer complaint handling power on the TIO every time a code is made or revised, because:

- (a) the TIO is already sufficiently empowered to handle complaints against its members involving industry codes under relevant consumer protection laws, our Constitution, and our Terms of Reference, and
- (b) like other modern Ombudsman complaint handling schemes, when any code is developed or revised, we will treat the code in the same way as any new or revised law, by having regard to whether it applies to a telco's actions on commencement.

The Code currently confers such power on our office under clause 1.8.

We understand there may have been reasons for the Code to confer power on the TIO to handle complaints when the Code was first developed in 2007. Our understanding is that Parliament's policy intention for section 114 of the Telco Act was originally to allow conferral of power on the TIO to monitor compliance with industry codes. We understand this intention was underpinned by the understanding that not all telcos would be obliged to be members of the TIO scheme.

It is not currently a role of the TIO to monitor compliance with industry codes. Therefore, it is not necessary for industry codes (including the Code) to continue conferring complaint handling power on the TIO under section 114 of the Telco Act.

Recommendation 29:

Clauses conferring power on the TIO to handle complaints involving industry codes (including the Code) under section 114 of the Telco Act should be removed from all new and revised industry codes in future.

6.3 A general obligation to ensure appropriate behaviour of telco staff could assist the TIO in dealing with complaints

Clause 3.3.4 of the Code requires telcos to "ensure appropriate action is taken against staff who are rude or harassing to, or engage in misleading conduct with, consumers."

We receive complaints from consumers who say their telco's staff were rude to them when they made a complaint or enquiry.

A more general obligation for telcos to prevent staff from engaging in rude, harassing, or misleading conduct towards consumers is appropriate and would assist us in handling complaints about this behaviour.

Recommendation 30:

The Code should include a general obligation for telcos to prevent their staff from engaging in rude, harassing, or misleading conduct towards consumers.

7 We support the Code's product information obligations

We support the Code's product information and advertising requirements (contained in clauses 4.1 and 4.2 of the Code). In our experience, these obligations generally operate to ensure consumers have access to accurate information about telco products when making their purchasing decisions.

The requirement for telcos to make CISs available for their service offerings (clause 4.2) gives consumers access to valuable and concise summaries of key information.

As noted above, while we broadly support these obligations, they would be more appropriately located in a consolidated piece of direct regulation such as an Industry Standard.

8 List of recommendations

Recommendation 1:

The Code should include additional specific remedies a telco must offer to a consumer if the consumer is induced to buy a telco product by incorrect or misleading information from the telco.

Recommendation 2:

The additional specific remedies should be modelled on those available under the ACL for breach of its prohibitions against misleading, deceptive, or unconscionable conduct.

Recommendation 3:

The Code should include more comprehensive requirements for Credit Assessments. At a minimum, an effective Credit Assessment should consider a consumer's income, the cost of their existing telco services, their living expenses, and other financial liabilities. To balance this requirement with the need to protect consumers' privacy, the Code should also prescribe a timeframe after which telcos must destroy Credit Assessment information.

Recommendation 4:

The Code should contain clear obligations for telcos to give consumers written information showing the entire content of their agreement at the time they sign up for services, and for telcos to retain this information.

Recommendation 5:

The Code should contain explicit obligations for telcos to retain all records relevant to the sale for 24 months for marketing activities or for the duration of the contract.

Recommendation 6:

The Code should require telcos to keep contractual information relevant to a sale for the duration of the contract plus 24 months following contract expiry. These records should include (where relevant) the physical written contract a consumer signs, a call recording of

the conversation where a consumer agrees to a contract over the phone, or a transcript of the webchat where the consumer agrees to a contract.

Recommendation 7:

Clause 4.2 of the Code should be amended to require telcos to include information about any mandatory cancellation procedure for a service in that service's CIS.

Recommendation 8:

The Code should require telcos to supply clear and accurate information about network coverage levels for mobile services. This should include an obligation for coverage information to be supplied in a standardised format, to assist consumers when comparing telcos.

Recommendation 9:

The Code should include obligations for telcos to proactively identify and offer assistance to consumers who may be experiencing payment difficulties. This should include obligations for a telco to offer help to any consumer receiving a restriction, suspension, or disconnection notice (rather than only referring the consumer to its financial hardship policy).

Recommendation 10:

The references in the Code to "financial hardship" should be replaced with more accessible terminology. We suggest a title modelled on the one used in the Victorian energy sector, such as 'Assistance for consumers anticipating or facing payment difficulties.'³⁵

Recommendation 11:

The Code should not allow a distinction between "financial hardship assistance" and other kinds of payment arrangements such as "Promises to Pay". The Code should clarify that the obligations to assist consumers apply to *all* consumers experiencing or anticipating

³⁵ See Part 6 'Assistance for residential customers anticipating or facing payment difficulties', [Victorian Energy Retail Code of Practice](#).

payment difficulty. This should apply irrespective of the cause of that difficulty, or the consumer's personal belief about their capacity to pay.

Recommendation 12:

The Code should require telcos to provide tailored assistance for consumers experiencing or anticipating payment difficulties.

Recommendation 13:

The Code should require telcos to assess and change a consumer's payment arrangements if the consumer's circumstances change.

Recommendation 14:

The Code should be more prescriptive about the assistance options telcos must offer to consumers experiencing or anticipating payment difficulty.

Recommendation 15:

The Code should explicitly require the mandatory assistance options to be available to all of a telco's customers, irrespective of the telco's system limitations (such as those imposed by the telco's choice of billing system).

Recommendation 16:

At a minimum, the Code should require telcos to offer the following options for payment assistance:

- (a) an option for the consumer to pay off debt in regular manageable instalments over an appropriate period of time based on their individual circumstances (including long-term payment arrangements in excess of 12 months)
- (b) an option to reduce the consumer's ongoing charges for an appropriate period of time (for example, to allow them to overcome a temporary financial shock)

(c) an option for the consumer to cancel services or transfer them to less expensive plans (including prepaid) without paying cancellation fees.

Recommendation 17:

The revised Code should explicitly apply the notice requirements for barring, suspension, and disconnection of services to situations where the barring, suspension, or disconnection occurs following a missed Automatic Payment.

Recommendation 18:

Where a telco disconnects a consumer's service in contravention of the disconnection notice requirements, the Code should require the telco to reinstate the service.

Recommendation 19:

The Code should specify that barring, suspension, and disconnection of services should be considered only as a last resort after a telco has proactively offered and exhausted payment assistance options.

Recommendation 20:

The Code should require telcos to give consumers sufficient notice before disconnecting their services. At a minimum, telcos should be required to:

(a) send a disconnection warning notice, followed by a separate disconnection notice, before disconnecting

(b) make genuine attempts to contact the consumer to discuss payment assistance options in addition to sending the notices.

Recommendation 21:

The Code should require telcos to include information about the TIO, including our free 1800 phone number and web address, on all reminder, barring, suspension, and disconnection notices.

Recommendation 22:

The Code should contain a universal requirement for telcos to supply bills to their customers before charges for a billing cycle come due or are deducted. The requirement should apply irrespective of the consumer's payment method. Bills should include an itemised list of all charges and service usage information for the relevant billing period.

Recommendation 23:

In addition to the current bill content requirements in clause 5.3.1 of the Code, the Code should require telcos to provide consumers bills that are simple and easy to understand.

Recommendation 24:

The Code should prescribe mandatory payment methods for telcos to offer all consumers. The mandatory payment methods should at a minimum include:

- (a) at least one method that is not automatic or based on direct debit, and
- (b) for those consumers who use and request it, Centrepay.

Recommendation 25:

The Code should require telcos to refund incorrect or unauthorised direct debit payments within a prescribed timeframe.

Recommendation 26:

The Code should clarify that any funds debited from a consumer's account after the consumer advises they dispute charges or have withdrawn their authority for direct debit payments must always be refunded to the consumer, irrespective of whether the charges were otherwise valid.

Recommendation 27:

The Code should include mandatory protections for consumers experiencing DFV.

Recommendation 28:

The mandatory protections for consumers experiencing DFV should include, at a minimum:

- (a) requirements for a telco to have a binding DFV policy that clearly sets out how it will identify and assist consumers experiencing DFV
- (b) requirements for all telco staff who deal with consumers (and their managers) to receive ongoing training in how to assist consumers experiencing DFV
- (c) requirements for telcos to have a secure process to assess and identify whether a consumer is affected by DFV, that avoids the need for the consumer repeatedly disclose or refer to their experience
- (d) requirements for telcos to recognise DFV as a likely cause of payment difficulties, and consider the impact of any service suspension or disconnection for the consumer before starting credit management or debt collection activity
- (e) rules prohibiting a telco from requiring a consumer to communicate with or disclose information about a perpetrator of DFV against them as part of dealing with an enquiry
- (f) rules specifying that if a telco cannot comply with a contractual obligation because of its obligations to a consumer under the DFV protections, it is not in breach of its contract.

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