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### **1. From the Ombudsman's Desk...**

*The New Year has started with a high level of uncertainty, in light of the global economic conditions.*

*Here at the TIO we are keen to understand the potential impacts on our members, who will be facing challenging business conditions, as well as on consumers, who will increasingly be looking at ways to manage their budgets better.*

*Our aim is to ensure that we continue to assist our members during the year ahead, with a particular focus on the types of complaints we think will predominate given the current circumstances. That is where our communication with you is critical, and the feedback we get from you can help us focus on those areas where we can add greatest value.*

*We fully expect 2009 to be a very challenging year. Our numbers of weekly calls is close to 8000, and as yet there is no sign of any diminution of demand for the TIO's services. The connect.resolve campaign, which is focused on customer service and complaint handling issues, formally commenced on 1 January, and we have already provided considerable targeted data to our biggest members over the past few months. Our reporting will continue each month throughout the campaign. We have received valuable feedback from those members about what sort of information can assist them, and with the arrival of a TIO data analyst in early February, we are looking to respond better to such requests.*

*I would like to wish all our members well for the year ahead, and look forward to continuing to receive your comments and feedback through our Member Communications team.*

### **2. Introducing the End to End Process Review**

The TIO is reviewing its complaint handling processes from 'end to end'. This is a priority given that since we last reviewed our processes:

- there have been considerable advances in technology
- we have learned a lot through various ad hoc projects that have trialled process improvements in response to complaint demand

- many members have made valuable suggestions about how we can improve the way that we work
- there is a belief that some Alternative Dispute Resolution processes that are currently not utilised by the TIO might improve the efficiency and effectiveness of certain types of classes of complaints.

The TIO's Council has initiated the review, which will be done by a consulting firm called Listening Post, who specialise in managing customer feedback, interaction and complaint handling.

We expect this review to enable us to employ world's best processes and systems, which are efficient, effective and accessible to consumers and our members, whilst maintaining our independence and delivering fair and reasonable outcomes for complaints. The processes should be capable of earning the respect of consumers, industry and other stakeholders.

As part of the consultation process the TIO will be offering all members the opportunity to take part in an on-line survey which has been developed by Listening Post.

### **3. ISP Engagement Update**

Listening Post, the independent consultants who are conducting our end to end process review, will be giving consideration to the responses the TIO received through the ISP Engagement Project. The Member Communications department will be assisting Listening Post with informal feedback it has collated from TIO Members about internet related complaint issues.

Further, an ISP page in the Member's section of our website is being developed and will soon enable members to find advice and guidance on how we approach certain internet-related complaints and scenarios.

### **4. The TIO's 'Credit Management Suspension' correspondence**

We are changing the letters in which we ask members to suspend credit management action on disputed charges or on debts that are the subject of a complaint about negotiating a payment arrangement.

Section 2.2 of the *Telecommunications Consumer Protections (TCP) Code* defines credit management action as: 'The process by which a supplier ... collects outstanding debt.'

Credit management action can include sending payment reminder letters, repeating attempts to direct debit a disputed amount, restricting or disconnecting services, referring a debt to a collection agency, and reporting an unpaid account to a credit reporting agency.

The TIO's revised letters explain that the complaint remains unresolved and that, as stated in the TCP Code, suppliers should not take credit management action in such circumstances. The letters do not specify a timeframe for suspending credit management (consistent with Section 7.4.10(a) of the TCP Code outlined below). Instead, they close with an invitation to contact the TIO with questions about the request or the status of the complaint.

The following TCP Code requirements should be observed by members:

- A supplier must not take credit management action in relation to genuinely disputed amounts while the dispute is being investigated and remains unresolved by the supplier, TIO or relevant recognised agency - *Section 7.4.10(a) - Credit Management action over disputed amounts*
- A supplier must not undertake credit management action while a financial hardship arrangement is being actively discussed with a customer - *Section 7.8.1 Credit Management action during Financial Hardship arrangement*

In addition, we would like to take this opportunity to remind members that the TCP code also requires you to:

- advise customers when you will commence any credit management action after disputes are determined - *Clause 7.4.10(b)*, or
- take reasonable steps to contact your customers before taking credit management action if a customer breaches the terms of a financial hardship arrangement and does not contact you to discuss a new arrangement - *Clause 7.8.1(a)*

If you have any questions about these requirements, please contact the Member Communications team.