

21 March 2016

Mr Alan Chalmers
Manager, Consumer Interests Section
Communications Safeguards and Networks Branch
Australian Communications and Media Authority
PO Box 13112, Law Courts
MELBOURNE VIC 8010

Dear Mr Chalmers

Proposed amendments to the Telecommunications (International Mobile Roaming) Industry Standard 2013

The Telecommunications Industry Ombudsman (TIO) welcomes the opportunity to comment on the proposed amendments to the Telecommunications (International Mobile Roaming) Industry Standard 2013 (the IMR Standard).

General comments

Following a Direction by the then Minister for Broadband, Communications and the Digital Economy in August 2012, the Australian Communications and Media Authority (the ACMA) introduced the IMR Standard, which came into effect on 27 September 2013.

The IMR Standard was developed against the backdrop of several years of increased complaints to the TIO about high international mobile roaming (IMR) charges. Complaints to the TIO about IMR typically involved circumstances in which consumers received substantial mobile bills on returning from overseas travel. Providers offering international mobile roaming services also faced the risk of not being able to recover their costs from consumers who were unable to pay high bills.

The IMR Standard sought to address a gap in the co-regulatory framework by introducing key consumer protections to help consumers travelling overseas manage their usage and better avoid incurring high bills from mobile roaming. Improvements in industry practices since the introduction of the IMR Standard and changes in the mobile roaming services market have led to the reduction of IMR-related TIO complaints.

In 2012-13 before the introduction of the IMR Standard, IMR-related new complaints to the TIO formed 1.3 per cent of all new complaints. In 2014-15, IMR-related new complaints made up 0.5 per cent of all new complaints. This proportion is now around 0.6 per cent over the first half of 2015-16. Most of these IMR-related new complaints are about disputed IMR charges.

IMR-related new complaints to the TIO decreased by 46.2 per cent in the twelve months after the introduction of the IMR Standard (October 2013 to September 2014), compared to the twelve months before this (October 2012 to September

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2013). IMR-related new complaints reduced by a further 32.7 per cent in the period from October 2014 to September 2015.

The year-on-year reductions in new complaints about IMR are more substantive than the reductions in overall TIO new complaints over the same periods.

See **Attachment 1** for further analysis of TIO new complaints about IMR.

The IMR Standard has played a key role in driving improved industry practices and the reduction in the number of IMR-related new complaints to the TIO. While noting the improvements made by industry for mobile roaming services, we are concerned that a reduction in existing safeguards and protections could result in a reversal of current positive trends.

Our specific comments on the proposed amendments to the IMR Standard are set out below.

Specific comments on proposed amendments to the IMR Standard

Combining 'on-arrival' messages

The proposed amendment aims to simplify the delivery of mobile roaming information from providers when a consumer arrives overseas. This simplification is also aimed at enabling cost savings for providers by reducing the number of SMS messages involved.

While we acknowledge these objectives, the TIO is concerned that this amendment may compromise the clarity of the warning information that is required to be given to consumers under subsections 5(1)(a), (b), and (c) of the IMR Standard.

The warning information required under the IMR Standard is one of the strongest protections currently available for consumers. It allows consumers to receive relatively short SMS messages that their roaming services are activated, maximum charge information and how to opt out of roaming services.

Despite the reduction in the number of IMR-related new complaints, the clarity of information received by consumers when they arrive overseas continues to be present in IMR-related complaints to the TIO.

We recently identified a potential systemic issue of interest about the lack of clarity of messages given to consumers with a travel add-on product when travelling overseas. The messages in question merged the requirements under subsections 5(1)(b) and (c) of the IMR Standard with the provider's message about the fact that IMR charges do not apply if consumers had purchased a travel add-on product before their departure. The messages did not make clear that the travel add-on product was only applicable in some overseas destinations. A number of consumers who contacted the TIO with complaints about IMR usage charges even though they had obtained a travel add-on product expressed confusion over the messages they received. The provider has since improved the clarity of these messages.

If the proposed amendment to combine the required messages under subsections 5(1)(a), (b), and (c) of the IMR Standard is implemented, we recommend that the clarity of the information provided to consumers under subsection 5(1) of the IMR Standard

is monitored closely by the ACMA. This could include undertaking regular audits of these messages to ensure there is no adverse impact on the clarity of information that consumers need to have in order to make informed decisions about their roaming services.

Other ways to decline roaming services

The proposed amendment aims to increase flexibility in the provision of the methods by which consumers can stop or decline IMR services. The alternative methods allowed under this proposed amendment must be reasonably accessible and available at low or no cost to consumers of the relevant providers.

The TIO supports the introduction of more practical or easy to use ways to decline IMR services. Solutions such as SMS or an app – when deployed safely and reliably – will address the issue of cost and difficulties in communications between consumers and their providers.

The TIO recommends these mechanisms are supported by a requirement for the provider to send an acknowledgement via SMS or an app to confirm that the request to stop IMR services has been received and actioned by the provider. This would give consumers certainty that their provider has actioned their request to stop IMR services.

Delaying obligations on mobile virtual network operators

IMR-related new complaints involving mobile virtual network operators (MVNOs) have remained relatively consistent throughout the past three and a half years. On average, the TIO records around 20 to 30 IMR-related new complaints involving MVNOs each quarter.

For this reason, the TIO is supportive of the postponement of the requirements for MVNOs under subsections 6(3) and 9(2)-(8) of the IMR Standard.

As shown in Graph 3 in **Attachment 1**, the proportion of IMR-related new complaints involving MVNOs is around 10 to 12.5 per cent of all IMR-related new complaints. According to figures sourced from the July 2015 IBISWorld Report on Wireless Telecommunications Carriers in Australia, this proportion is slightly above the MVNOs' market share in Australia of about 8.6 per cent.

With this in mind, the TIO will continue to monitor the number of and issues in, IMR-related new complaints involving MVNOs.

Opting out of usage alerts

The proposed amendment aims to allow providers to offer consumers the ability to opt out and opt back in to receiving usage alerts while travelling, which will align the IMR Standard with the requirements under the Telecommunications Consumer Protections (TCP) Code 2015.

We support the additional amendment introduced by the ACMA to prevent the opt out option from being active by default at the start of a service, and to allow consumers to be able to quickly and easily opt back in to receiving usage alerts.

We recommend that the opt out mechanisms implemented under this amendment are further supported by a requirement for the provider to send an acknowledgement to confirm that it has actioned the opt out request. This acknowledgement could also include information on how to opt back in to receiving these usage alerts.

Further information

We trust this submission helps the ACMA in its finalisation of the proposed amendments to the IMR Standard.

If you require further information, please contact myself or Ms Shobini Mahendra on 03 86008700 at the TIO.

Yours sincerely



David Brockman
Executive Director – Industry, Community and Government

Attachment 1

TIO complaints about international mobile roaming complaints

Types of international mobile roaming complaints

The TIO records complaints about international mobile roaming (IMR) under several categories:

- **billing and payments:** these types of complaints involve disputed IMR charges for calls, SMS and data.
- **contracts:** these types of complaints are about the quality and accuracy of IMR information, including pre-departure, maximum price, opt-out, and warning SMS.
- **credit management:** these complaints are about IMR spend management tools and/or delays in receiving usage alerts or notifications.

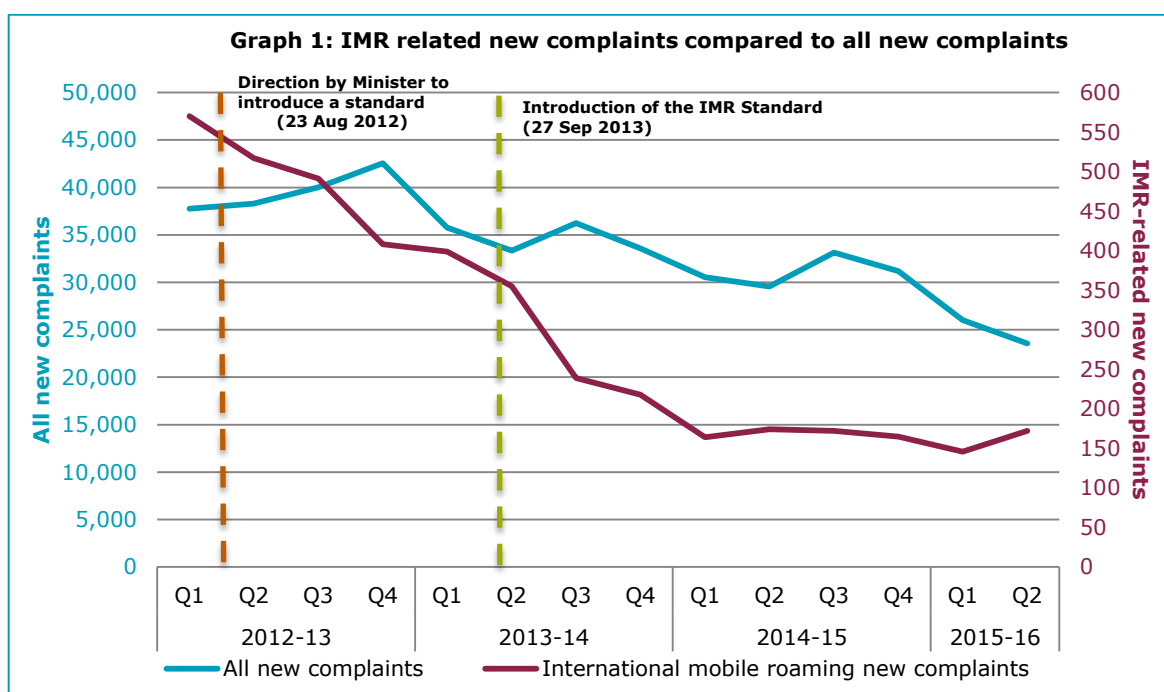
Analysis of TIO new complaints about international mobile roaming

Overall, new complaints to the TIO have decreased over the past few years, reducing by 10.5 per cent in 2014-15 when compared to 2013-14. This followed a reduction of 12.4 per cent in 2013-14 when compared to 2012-13. New complaints to the TIO have continued to decrease in the first half of 2015-16.

In 2012-13 before the introduction of the IMR Standard, IMR-related new complaints to the TIO formed 1.3 per cent of all new complaints. In 2014-15, new complaints about IMR made up 0.5 per cent of all new complaints. This proportion is now around 0.6 per cent over the first half of 2015-16. Most of these IMR-related new complaints are about disputed IMR charges.

In the twelve month period before the implementation of the IMR Standard (October 2012 to September 2013), the TIO received 1,815 IMR-related new complaints. In the twelve month period after the commencement of the IMR Standard (October 2013 to September 2014), the TIO recorded 976 IMR-related new complaints, or a year-on-year reduction of 46.2 per cent. This number reduced further to 657 IMR-related new complaints in the period from October 2014 to September 2015, a year-on-year reduction of 32.7 per cent.

As shown in Graph 1, the year-on-year reductions in new complaints about IMR are more substantive than the year-on-year reductions in overall TIO new complaints.

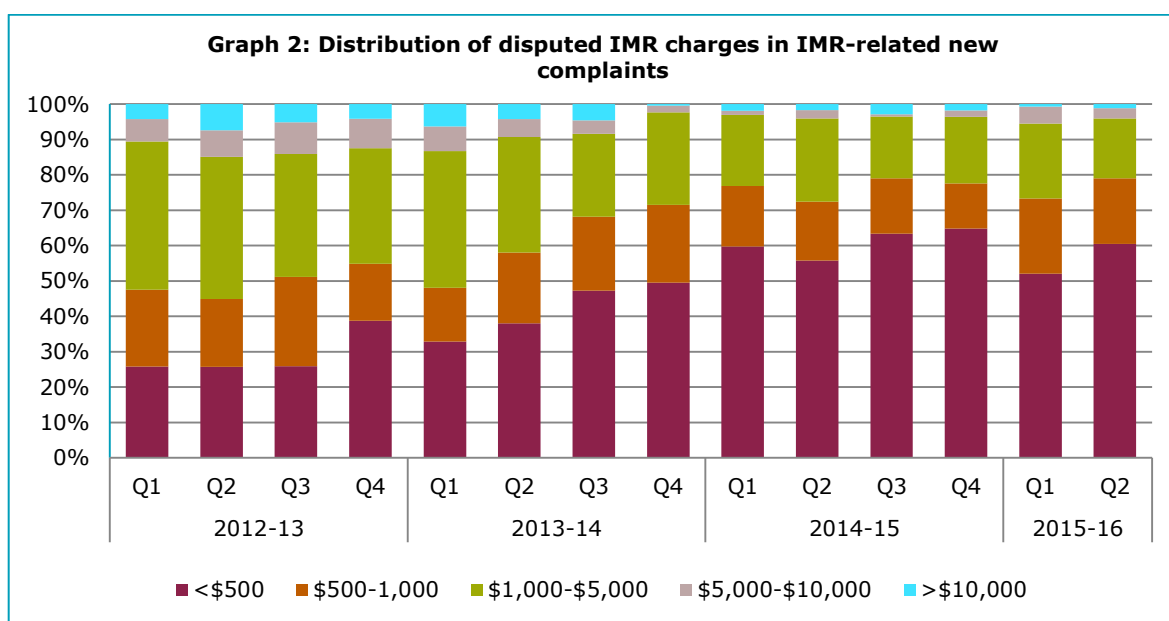


Issues in new complaints about international mobile roaming

Billing and payments continues to feature as the most common issue in IMR-related new complaints. However, the number of new complaints specifically about disputed data charges has decreased significantly. In the twelve month period after the IMR Standard was implemented, the TIO received 510 new complaints about disputed IMR data charges. This number reduced by more than 50 per cent between October 2014 and September 2015 with only 237 new complaints recorded about this issue. We recorded smaller reductions in IMR-related new complaints about disputed call and SMS charges over the same periods.

Our complaints data indicates a significant reduction in IMR new complaints with disputed amounts above \$1,000 after the introduction of the IMR Standard. In the twelve month period before the implementation of the IMR Standard (October 2012 to September 2013), 44.7 per cent of IMR-related new complaints recorded involved disputed amounts above \$1,000. The proportion dropped to 30.2 per cent in the twelve month period after the commencement of the IMR Standard (October 2013 to September 2014), and further reduced to 22.5 per cent in the period from October 2014 to September 2015.

Graph 2 shows the distribution of disputed amounts in IMR-related new complaints.



The quality and accuracy of information is the second most common issue in IMR-related new complaints. Reflecting the general trends, the number of new complaints in this category also reduced from 73 in the twelve month period after the commencement of the IMR Standard (October 2013 to September 2014), to 57 in the following twelve month period.

We only started recording new complaints about IMR spend management and usage notifications once these obligations commenced at the end of September 2014. We have recorded a small number of complaints about these issues in the period from October 2014 to September 2015.

IMR-related new complaints by type of network operators

As highlighted in Graph 3, IMR-related new complaints involving mobile virtual network operators (MVNOs) have remained relatively consistent throughout the past three and a half years. On average, the TIO records around 20 to 30 IMR-related new complaints involving MVNOs each quarter.

The number of IMR-related new complaints involving MVNOs has been significantly lower than the three mobile network operators. Around 12.5 per cent of IMR-related new complaints in 2014-15 were recorded against MVNOs. The proportion of IMR-related new complaints to the TIO about MVNOs is slightly above its market share in Australia of about 8.6 per cent (according to figures sourced from the July 2015 IBISWorld Report on Wireless Telecommunications Carriers in Australia).

