

TIO scheme



Keywords

The TIO records complaints under the headings of Landline, Mobile and Internet, with keywords used to describe the subject matter of complaints – for example, billing, payments or faults.

The TIO implemented its revised complaint keyword categories in 2006/07. The keywords were changed because providers increasingly focus on functionality rather than technology, and consumers are often not aware of the underlying technology of their services. The analysis that appears in the following pages is based on the new keyword categories.

The following recommendations were implemented at the beginning of 2006/07.

- The TIO ceased recording internet complaints by technology (for example, ADSL, dialup, cable or wireless).
- The TIO now uses a three-tier, rather than a four-tier, keyword structure to record complaints.
- Keywords describe the subject matter (for example, billing) rather than the type of service (for example, mobile). The system still notes whether complaints relate to landline, mobile or internet services.
- The TIO keywords are aligned with ACIF codes. If certain keyword sequences are entered in the complaints database, staff are prompted to ask complainants specific questions aimed at establishing whether a possible code breach has occurred.

Keywords are linked to the TIO's position statements where appropriate. If TIO staff enter a particular keyword into the TIO's complaints system, a link to related position statements will appear.

In addition, several of the TIO's existing keyword categories, such as Contracts, Customer Service and Phonecards, have been reworked so as to improve the quality of the TIO's data.

One of the consequences of the keyword changes is that direct comparison with TIO statistics from previous years is not possible, although broad comparisons have been made where appropriate.

Unless it is stated otherwise, all complaints referred to in the analysis section (TIO and MPSI schemes) are complaint issues. Please refer to the graphic on page 3 for an explanation of the TIO's complaint handling terms.

Billing and Payments

Service type	2006/07	2005/06	% change
Internet	9,933	5,385	84.5%
Landline	12,902	13,725	-6.0%
Mobile	13,083	15,210	-14.0%
Total	35,918	34,320	4.7%
% of all complaints	22.9%	26.9%	

This year the Billing category was renamed Billing and Payments. Previously, payment complaints were listed under the Billing category, so the change has not had any impact on the number of complaints recorded. The change allows better identification of issues related to payment such as direct debit complaints.

A total of 35,918 billing complaints was recorded in 2006/07 (compared with 34,320 in 2005/06). This represented 22.9 per cent of all complaints, down from 26.9 per cent in 2005/06.

Before 1 December 2006, complaints about mobile premium services were recorded under Billing and Payments. From 1 December 2006 these complaints were listed separately under complaints against the MPSI scheme, reducing the number of billing complaints the TIO would otherwise have recorded.

See Mobile Premium Services Industry Scheme, page 59, for further information on mobile premium service complaints.

Bundled contracts

One of the more significant features in the Billing and Payments category was the identification of the issues of the bundling of contracts, where the service provider supplies several types of service on the one contract. Discounts are usually offered on one or more of the services as an incentive for the customer to bring all their business to the provider. Problems arise when customers are confused by the bill and it can be difficult to determine if the discount has been provided. During the course of investigations, the TIO has found that the billing is often correct, but the customers may not have received adequate explanation of the billing and applicable discounts.



The TIO records complaints under the headings of Landline, Mobile and Internet, with keywords used to describe the subject matter of complaints – for example, billing, payments or faults.

Capped plans

Capped plans also featured heavily in Billing and Payment complaints. These are plans where the customer has signed up their fixed, internet or mobile usage at a “capped” rate. An example is where customers agree to a monthly mobile plan which might include, say, \$200 of voice calls and \$100 of text calls for \$49. These plans are no doubt beneficial for customers, with the Australian Competition and Consumer Commission saying that capped plans helped cut prices charged to customers for mobile telephony by 6.5 per cent in the 2006 financial year.¹

The TIO is concerned that the way these plans are marketed may confuse customers. In 2006/07, the TIO received many complaints where the customer believed the capped rate included all calls and was not aware that they could incur other charges, such as data calls to access the internet or premium SMS charges. Customers may also not be aware that they will incur further charges if they exceed the value of calls in the plan.

When investigating complaints about capped plans, the TIO refers to its position statement on *Use of marketing terms such as capped, unlimited and free*, introduced in September 2006. The TIO believes that products should be marketed as capped, unlimited or free only when they are in fact capped, unlimited or free in the everyday sense of those words. Companies may confuse customers if they use these terms in another sense, either directly or indirectly, such as through qualifying contractual terms and conditions.

When the TIO receives a complaint that involves the use of terms such as capped, unlimited and free, we may consider points including:

- the way the product has been promoted – including the target market and the overall impression generated by any promotional strategy and materials
- the comprehensibility and level of complexity or intricacy of the product’s terms and conditions
- any oral information given to the customer at the point of sale
- any qualifying information

- how any qualifying information was communicated, including the prominence given to that information
- whether the use of any term conveys a false impression, and whether the use of any term is or may be misleading and/or deceptive
- whether the provider offers a way for the customer to monitor usage
- whether the provider has told the customer about the monitoring tool and the need for them to use it
- the accuracy and usability of any monitoring tool, including how often the provider updates usage
- what action, if any, the provider has taken to notify a customer that they are about to reach, or have reached, a limit
- what, if any, information the provider has given to the customer about what happens after they reach a limit.

For plans marketed as capped, the TIO may also consider whether it was reasonable in the circumstances of the complaint for the customer to believe the product included a ceiling on the amount they could be billed.

Internet (Billing and Payments)

The number of internet Billing and Payments complaints rose by 84.5 per cent, from 5,385 to 9,933. Some of the increase was attributable to more households and small businesses connecting to the internet. Other contributing factors were the bundling of contracts and problems with direct debit payments. One company accounted for 3,107 internet Billing and Payments complaints, or 31.3 per cent.

Direct Debit complaints

Direct debit complaints rose from 623 to 2,011. A large number (613) arose due to one company not cancelling the direct debit arrangements after its customers terminated their internet service. Some of these complaints required escalated investigations before the direct debit was discontinued and monies were refunded. Not surprisingly, the number of complaints received about direct debit payments not being cancelled (903) and direct debit payments not authorised (702 complaints) far outnumbered the complaints received about direct debits not being activated on request (55 complaints). The TIO referred the company to the Australian Communications and Media Authority (ACMA) due to its large number of direct debit complaints.

1 Page 98, ACCC *Telecommunications Reports 2005/06* – Report 2, May 2007.

TIO scheme *continued*

CASE STUDY

Direct debit charges

The complaint

A customer complained to the TIO that he had incurred internet charges when the service had not yet been provided.

He said he had been told that no part of his service would commence until the end of a 10-day cooling-off period, but charges had been debited directly to his bank account. He said that as there was no notice that a direct debit would take place, the account was overdrawn, resulting in additional bank charges. Two weeks after the direct debit occurred, his service provider told him that, while his order for a broadband service had been accepted, there was no guarantee it could be installed.

The complainant said the service provider told him that connection might take up to two months. He was seeking to have the contract cancelled and the charges refunded to allow him to apply for ADSL with another provider.

TIO response

The TIO asked the provider to advise how it believed the matter could be resolved. The provider said the ADSL installation process began 10 days after payment for the initial charges was received by direct debit. It said it could take 3 to 10 days to receive the first payment, 7 to 21 days to accept the order and provision the ADSL service, and a further 7 to 10 days for the customer to receive a modem. It said it could confirm that it would be able to connect a service for this customer.

The TIO told the provider that it was concerned that the provider might have breached Clause 7.3.1 of the ACIF *Billing Code* by:

- seeking payment for services that had not been provided and
- not being able to confirm that it could meet the terms of the contract by connecting the service.

The code requires that suppliers be able to verify that charges levied against customers are what the customer has requested, utilised or contracted to receive.

The outcome

The provider offered to cancel the contract, allowing the complainant to seek services with another provider, and to refund all charges, including bank fees, associated with the direct debit.

Credit Adjustments

Complaints about credits not being applied to accounts or being incorrectly applied increased from 553 to 796. Many of these problems related to discounts that may apply to bundled contracts. Other problems may occur where credits offered to customers in resolution of billing or customer service disputes are subsequently not applied.

Data Usage Charges

Complaints about usage fees on internet services rose by 93.5 per cent from 899 to 1,740.

Complaints about data usage can arise from a number of issues. Some involve relatively new users who are not aware of how to monitor their usage. Problems sometimes occur when parents allow their children to download music and videos and play online games – all of which involve large amounts of data.

File-sharing programs can also result in high usage charges. The TIO believes it is important for ISPs to provide practical information to customers about how to monitor usage and the types of activity that can amount to high usage. Even when customers complain about unexpectedly high bills, the TIO finds that ISPs often do not explain how to monitor and limit their usage and therefore costs.

Other complaints arise when customers expect their service to be “shaped” or “throttled” when they exceed the usage limit on their plans. Throttling is when an ISP slows the download speed, often to speeds similar to those of a dialup service. Customers will not be charged for excessive data if their plan is throttled.

Where an account is not throttled, customers are charged for excess usage when they exceed their download limit. Costs can be quite significant, with some complainants having received bills for several thousand dollars. Customers have a responsibility for monitoring their usage. However, when assessing complaints where a user has incurred unexpectedly high costs for excessive downloads, the TIO has regard to its position statement *Unlimited credit – financial over-commitment*. This says that one of the things that the TIO would consider when assessing such a complaint is that:

“Once the provider became aware or ought reasonably to have become aware that the customer was incurring a disproportionate amount of debt, whether the provider took steps to minimise or limit the customer’s access to credit or exposure to debt and, if so, the effectiveness of those steps.”

Landline (Billing and Payments)

Landline Billing and Payments complaints dropped slightly this year, from 13,725 to 12,902.

Internet Diallers

Calls to internet diallers continued a steady decline, with only 16 complaints about calls to 190x numbers (down from 125) and 708 complaints about calls to international destinations (down from 1,823). At their peak in 2003/04, 3,770 complaints were registered about these issues. One TIO member responsible for a large number of internet dialler complaints to international destinations took the step of closing access to number ranges used by internet dialler content providers. The decrease in internet dialler calls can also be attributed to the decline in dialup internet services, as calls to internet diallers can only be made when connected to a dialup internet service. The decline in complaints about internet diallers is typical of the TIO’s experience where the advent of new technology and products can lead to a sudden increase in complaints before these decrease as the products are in turn replaced by different services and, consequently, different complaints.

Direct Debit

As with internet complaints, direct debit complaints for landline services increased significantly, from 254 to 565 (a 122.4 per cent increase). Half of these complaints (282) involved one service provider.

Mobile (Billing and Payments)

The TIO logged 13,083 Billing and Payments complaints for mobile services in 2006/07. From 1 December 2006, complaints about the billing of mobile premium services were separated from general TIO complaints and registered under the MPSI scheme. It is therefore not possible to compare the total number of mobile Billing and Payments complaints with those of previous years. More specific complaints under the Billing and Payments category – for example, direct debit complaints – are, however, comparable.

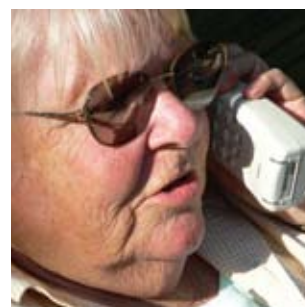
Debt on Prepaid Mobiles

The industry improved its practices with the billing of prepaid services. Complaints about debt accruing on prepaid mobiles fell significantly to 14 from 109 in 2005/06 and 143 in 2004/05. The TIO continues to be vigilant for complaints of this nature as they have the potential to affect a particularly vulnerable customer base.

Direct Debit

In contrast to landline and internet services, complaints about direct debit payments for mobiles decreased from 427 to 414.

TIO scheme *continued*



Complaint Handling

Service type	2006/07
Internet	7,742
Landline	8,539
Mobile	8,993
Total	25,274
Percentage of all complaints	16.1%

A total of 25,274 complaints were recorded against the newly introduced category of Complaint Handling. These complaints were evenly distributed between landline, mobile and internet services. In 2005/06, all complaints related to complaint handling were recorded under Customer Service. For this reason direct comparison is not possible.

Complaints in this category are consistent with categories identified in the *Complaint Handling Code* (See Industry codes, page 68) and cover the following:

- Failure to Refer to the TIO
- Failure to Record a Complaint
- Failure to Escalate a Complaint
- Failure to Advise on the Outcome of a Complaint
- Failure to Action an Undertaking
- Failure to Acknowledge A Written Complaint
- Charging for Handling a Complaint
- Charging for Itemisation of a Disputed Bill.

A total of 70.1 per cent of complaints in this category were logged under the Failure to Refer to TIO sub-category. The large number of complaints registered in this category highlights how vital it is that industry adheres to its own *Complaint Handling Code* and how important it is that suppliers adequately address complaints from their customers and advise them that they can have their complaint investigated by the TIO.

The TIO will closely monitor this category to gauge and provide feedback on whether the telecommunications industry is providing a better complaint handling service to its customers.

2 The code requires service providers to retain material collected and recorded throughout the complaint handling process for two years following closure of complaint. More information about service providers' obligations under the *Complaint Handling Code* may be obtained in the brochure *Complaint Handling – Your Obligations as a Service Provider*, which is available at http://www.commsalliance.com.au/about_us/factsheets.

Internet (Complaint Handling)

Although fewer Complaint Handling complaints were received about internet service providers than their counterparts in landline and mobile services, proportionately (about 16 per cent of complaints for each service) the totals were similar. Complaints received about ISPs totalled 7,742, about landline providers 8,539, and about mobile providers 8,993.

During the course of some investigations, the TIO was told by (usually smaller) ISPs that they do not keep any records of customer service interactions and have no means of tracking and therefore responding to complaints in accordance with the rules of the *Complaint Handling Code*.² Keeping records of interactions with customers is important, especially if a dispute subsequently arises.

Failure to Refer to the TIO

The *Complaint Handling Code* requires providers to advise customers whose complaint remains unresolved about their right of recourse to the TIO. In order to capture whether this is occurring, the TIO now routinely asks complainants if their provider referred them to the TIO to deal with their unresolved complaint. Complainants reported on 4,855 occasions that their provider had not referred them to the TIO.

Failure to Action Undertakings

There were 1,441 complaints about suppliers failing to action undertakings – that is, not providing an agreed outcome to a complaint or undertaking other agreed actions. The type of complaints recorded in this category were:

- suppliers failing to send a refund cheque
- suppliers telling the customer a supervisor would call them back and no call was received
- suppliers failing to provide an agreed credit on an account.

Failure to Escalate a Complaint

Suppliers not escalating a complaint – that is, not referring a complainant to a manager or supervisor upon a complainant's request – resulted in 478 complaints. This number is significantly higher than the 198 complaints received in 2005/06.

Failure to Acknowledge a Written Complaint

A total of 684 complaints were received about suppliers failing to acknowledge a written complaint. It is a requirement of the *Complaint Handling Code* that a supplier respond to a written complaint within five business days.



Landline (Complaint Handling)

Failure to Refer to the TIO

A total of 6,082 complainants reported that their landline provider did not refer them to the TIO. As reported above, this is contrary to the provisions of the *Complaint Handling Code*.

Failure to Escalate a Complaint

There were 444 complaints where a customer said that their provider had failed to refer them to a supervisor or manager at their request. This compares with 421 complaints last year.

Failure to Action Undertakings

There were 1,246 complaints about suppliers failing to action agreed undertakings.

Failure to Acknowledge a Written Complaint

A total of 430 complaints were received about a landline supplier failing to acknowledge a written complaint. When the TIO raised this matter with suppliers, some argued that, because complainants sent letters to the address listed on the bill for payment of cheques instead of the complaint or customer service department, the letter had not actually reached the supplier and hence they did not consider that they had failed to address the complaint. The TIO disputes this position and maintains that correspondence sent to any address associated with the supplier should be acknowledged and dealt with appropriately.

Mobile (Complaint Handling)

A record high number of Complaint Handling problems – 8,993 – were recorded against mobile phone providers.

Failure to Refer to the TIO

6,787 complainants with mobile service complaints told the TIO that their supplier had not advised them of their right of recourse to the TIO, a slightly higher figure than that for landline and internet services.

Failure to Escalate a Complaint

Complainants said that on 393 occasions the customer service representative did not escalate their complaint to a supervisor or manager when the customer requested that they did so. In 2005/06, the TIO received 322 complaints reporting a failure to escalate a complaint.

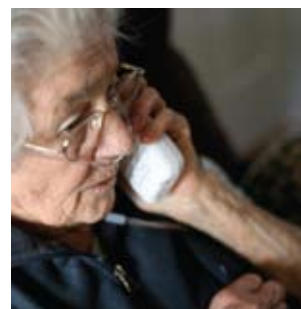
Failure to Action Undertakings

1,152 complaints were received about mobile suppliers failing to act on undertakings made during the investigation of a complaint. This figure was lower than the number reported for both landline and internet services.

Failure to Acknowledge a Written Complaint

There were 318 complaints about suppliers failing to acknowledge a written complaint.

TIO scheme *continued*



Contracts

Service type	2006/07	2005/06	% increase
Internet	5,819	3,554	63.7%
Landline	3,861	2,820	36.9%
Mobile	8,468	8,456	0.1%
Total	18,148	14,830	22.4%
% of total complaints	11.6%	11.6%	

Complaints in this category rose from 14,830 in 2006 to 18,148, but as a percentage of overall complaints they stayed the same, at 11.6 per cent.

Advice Provided at Point of Sale

The TIO is now able to capture and report on more specific details about lack of information or misleading advice provided at the point of sale. As with previous years, point-of-sale advice was a major contributor to contract complaints, with the internet category recording 2,820 of these types of complaints and the mobile and landline categories recording 5,412 and 2,160 respectively. Of these complaints, a small proportion was identified as being about cooling-off periods, the identity of the service provider and termination fees. Most (2,447 for internet, 1,958 for landline, and 4,374 for mobiles) were about lack of advice or inaccurate advice about the product and terms, including applicable charges.

Variation of Terms

A major cause of concern was the large number of complaints about service providers changing terms and conditions during the course of a contract. More information about this topic is covered under the Internet, Landline and Mobile sections.

Internet (Contracts)

Complaints about internet contract issues increased from 3,554 in 2005/06 to 5,819 in 2006/07. Changes to the TIO's complaint keywords at the beginning of the 2007 financial year allow more complaint data to be captured but mean that it is difficult to make direct comparisons with previous years.

Variation of Terms

Variations to contract terms proved to be a major cause of contention in 2006/07, with 587 complaints recorded, compared with 223 for the previous year. A contributing factor was an increase in wholesale prices, which retail internet service providers passed on to customers by increasing charges or decreasing the usage limit under the plan. The TIO issued a media release in February 2007 about this matter. We said that, in accordance with the *Consumer Contracts Code* (see Consumer Contracts Code page 71), a fixed-term contract may be varied without the customer's consent only if the customer:

- is given 21 days' written notice of the change, and
- is provided with a further 21 days to cancel the contract without penalty.

The ISP would be entitled to recover the costs of equipment supplied with the contract, but only if the customer could use that equipment with another ISP.

Enforcement of Terms

A new category of complaint issue was introduced this year to capture instances where the complainant believed the enforcement of the terms of their contract was unfair in the circumstances. The TIO registered 750 of these complaints.

Landline (Contracts)

Landline contractual complaints rose from 2,820 to 3,861 this year – an increase of 36.9 per cent. Traditionally, landline services were provided on request and terminated on request. Many services are now supplied on contract for a minimum period – usually as part of a bundled contract or a “capped” plan inclusive of call charges. In exchange for discounts or extra benefits customers commit to a minimum period of service.

Sales Tactics

A total of 191 complaints were logged under this new category, designed to record incidents where customers said sales staff used harassing or coercive conduct in order to sign them to contracts. This is substantially less than those recorded for mobile services although it is an emerging area of complaint.

Variation of Terms

426 complaints were received about variations to the terms of a contract. Because contracts were not common for landline services until recently, the TIO previously did not capture this type of complaint.

Mobile (Contracts)

Mobile contract complaints remained static in number (8,468 in 2006/07 and 8,456 in 2005/06) but fell as a percentage of all complaints from 6.6 per cent to 5.4 per cent.

This may be due to the fact that the number of mobile services is not increasing as rapidly as in previous years³ and most customers have probably had a mobile phone for some time and are more aware of contractual issues.

Sales Tactics

Allegations of sales staff harassing or coercing potential customers to sign a contract accounted for 300 complaints. As this is a new complaint category, the TIO has no comparison with previous years. The higher number of complaints about mobile sales tactics compared with landline (191) and internet (126) is perhaps indicative of the way mobile contracts are sold. That is, in order to obtain a mobile phone, customers generally need to walk into a shop and deal directly with sales staff. On the other hand, with internet services, customers usually sign up via the internet or by phone. For landline services, customers usually arrange a service by contacting the company by phone.

³ According to *Australian Mobile Telecommunications Industry: Economic Significance & State of the Industry*, published by the Australian Mobile Telecommunications Association: “The number of mobile subscribers in Australia has increased from 6.3 million in 1998–99 to 19.9 million in 2005–06. However, the annual growth rate of subscribers has actually declined from a peak of almost 40% in 2000/01 to just over 8% in 2005/06. IBISWorld forecasts that the growth rate will decline further to 4.5% in 2006/07”.

Variation of Terms

Complaints about variations to the terms of contracts increased substantially from 191 in 2005/06 to 508. The TIO received complaints from customers who were contacted after signing a contract for a mobile phone and told that the prices and conditions associated with that contract were no longer available. In some instances this occurred three weeks into the period of the new contract. Where the customer did not want to have to pay higher charges for the service, they often returned the handset supplied with the contract and early termination fees were waived.

Point-of-Sale Advice on Coverage

Complaints about misleading or lack of advice about network coverage rose 346 per cent, from 161 in 2005/06 to 718 in 2006/07. Complaints resulting from Telstra’s phasing out of the CDMA network in rural and regional areas were logged under this category and also the Mobile Faults Coverage category.

Telstra is replacing CDMA with 3G technology (dubbed Next G). Complainants have come to the TIO saying that, although they had been advised that they would receive equivalent or better coverage if they switched from Telstra’s CDMA to Telstra’s Next G network, they have subsequently found that coverage was not as good. The Next G network operates in metropolitan as well as rural and regional areas and was switched on in October 2006.

Telstra has kept the TIO informed about the rollout of the Next G network in rural and regional areas. It says that complaints are more likely to be related to problems with handsets than with coverage. Examples of these issues include:

- using a Next G handset that is configured for 2G services
- a customer using a 2G SIM card in their Next G handset
- a customer using a Next G handset that is not suitable for low signal or fringe areas. Telstra is marketing several handsets that are recommended for rural handheld coverage. External antennas can also be connected to some handsets to maximise signal quality and performance.

Coverage faults related to handsets are more likely to be recorded and investigated as handset faults. (See Mobile Faults Coverage, page 50)

The TIO has an expectation that:

- a handset is correctly configured at point of sale
- handsets are sold suitable to the customer’s needs or stated purpose.

Under the *Customer Information on Prices Terms and Conditions* code (See page 70), when a customer signs a contract for a mobile phone, the supplier must “offer to show the customer a map or diagram indicating the coverage of the network for the mobile service in the area of Australia within which the customer indicates the service is generally to be used”. The TIO would investigate complaints where the service provider or its agent promised coverage in a certain area but the customer was not able to receive coverage in that area.

TIO scheme *continued*

CASE STUDY

Capacity to contract

The complaint

A 17 year old went with her father to a mobile phone outlet and, translating for him, helped him sign a \$49-a-month plan, which included \$230 worth of calls.

She claimed to have been told that the service could be barred when the credit expired. She called customer service to arrange this and then proceeded to use the service.

She advised the TIO that the service had not been barred when the cap was reached, as she had expected, but that she did receive a text from the service provider when \$1,000 in charges had accrued. Her father's bank account was then debited \$587, after which he received a bill for \$1,600. The service was subsequently suspended. She then contacted the TIO.

TIO response

The service provider told the TIO that the girl had not been advised that she would be notified when her cap was reached. Instead she had been told how to check her usage online. It said that although the father had not appeared to understand all of what was said at the point of sale, he had acknowledged that he understood the terms and conditions (as translated to him) by signing the contract.

It advised the TIO that the complainant would be released from the contract, but that the charges would stand. The TIO did not believe that this represented a "fair and reasonable" outcome, so decided to investigate further.

The TIO then queried why the service had not been suspended earlier. On a \$49 cap, this would have been an acceptable credit control measure when \$587 had accrued. However, the service was not restricted even at \$1,000, at which time the service provider was certainly aware of the charges. Additionally, we pointed out that the *Prices, Terms and Conditions Code* (See Industry codes, page 68) advised companies that they should take extra measures to make sure that non-English speakers and people with disabilities understood the contract.

The company responded that this was a matter that should be addressed by the father and the daughter. It believed that discrimination may have been suggested had the contract been refused. Furthermore, it argued that the father was aware that his daughter had a history of high usage and ought to have taken this into account.

The TIO considered two alternatives with regard to the liability of the company. Firstly that, as the service provider had no way of knowing what had actually been said to the father, it should not have allowed the contract to take place at all. Secondly, it was possible that the daughter had not passed on all of the information to her father correctly, or had passed it on selectively, and that she (at least) had not been misled at the point of sale.

The outcome

The TIO concluded that the contract should not have been created as the account holder may not have been aware of all of the relevant details and his daughter was too young to agree to a mobile phone contract. It was also taken into account that the account holder was unemployed and his daughter was a student, neither of them having the means to pay the disputed charges.

To settle the matter, the service provider agreed to refund the \$587 debited, and to waive the rest of the charges once the handset had been returned. The complainant agreed to pay \$98, the contractual amount for the two months for which the service was connected and in use.



Credit Management

Service type	2006/07	2005/06	% change
Internet	1,144	665	+72.0%
Landline	4,523	5,221	-13.4%
Mobile	5,642	5,434	+3.8%
Total	11,309	11,320	-0.1%
% of all complaints	7.20%	8.90%	

Credit management complaints (previously known as Credit Control) remained almost static, dropping slightly from 11,320 in 2005/06 to 11,309 in 2006/07. As a percentage of all complaints, Credit Management improved marginally, falling from 8.9 per cent to 7.2 per cent.

Credit management keywords were expanded in 2006/07 and now cover specific topics, including: credit assessments, conduct of collections agents, credit default problems, failure to suspend collection action when there is a payment arrangement or bankruptcy, over-commitment, refusal to negotiate or renegotiate a payment arrangement based on individual circumstances, and suspension or disconnection of a service without notification or where there is a disputed debt.

Further descriptions of the keywords used in credit control complaints are contained in the paragraphs below under internet, landline and mobile complaints.

Credit Management Code

Delayed provisions of the *Credit Management Code* came into effect in October 2006 (See Credit Management, page 71). The delayed provisions include clauses that:

- suppliers must have a financial hardship policy
- notification of the policy must be sent to the customer with any payment reminder notices
- suppliers must assess the customer's individual circumstances
- suppliers must be willing to review any financial arrangement if the customer's circumstances change.

Although the code provisions took effect part way during the financial year, it is worth noting that complaints about suppliers refusing to negotiate and renegotiate payment arrangements increased for internet, landline and mobile services. This is of particular concern with mobile services, where complaints rose by 41.1 per cent.

Credit Management – Payment Arrangement

Service type	2006/07	2005/06	% change
Mobile	968	686	41.1%
Landline	877	755	16.2%
Internet	101	52	113.5%

Suppliers not Suspending Credit Action when Notified of a Disputed Debt

Many credit management complaints relate to suppliers attempting to recover payment for amounts in dispute. In some of these complaints the service is suspended or disconnected, while in others, suppliers may engage collections agents to collect the disputed debt, or even list the debt with a credit reference agency. In some cases, the billing systems of some service providers do not allow them to quarantine disputed debts from non-disputed debts.

Taking action to recover disputed debts is a breach of the *Credit Management Code*. The TIO believes that suppliers need to improve their systems to quarantine disputed debts from further credit action until any dispute is resolved. The TIO expects complainants to pay all portions of an account that are not in dispute.

TIO scheme *continued*

Internet (Credit Management)

Complaints about credit management for internet services rose by 72.0 per cent from 665 in 2005/06 to 1,144 in 2006/07.

Collections Agents

The TIO recorded 217 complaints where the customer claimed that a collections agent had taken action to collect a debt after the customer had notified the provider that the debt was in dispute. Five complaints were made about collection agents using harassing conduct to coerce a customer to make payments.

Phone companies are responsible for the actions of their collection agents. Under the *Credit Management Code*, debt collectors who are agents of a phone company must not act in a way that involves threatening or offensive behaviour, harassment or otherwise unlawful actions.

Credit Defaults

Complaints about the listing of a debt with a credit reporting agency are separated into the following categories:

- disputed debt – where a default is listed for a debt that is in dispute (74 complaints)
- failure to update – where a default listing has not been updated to reflect payments made (five complaints)
- notification – where the supplier has not notified its customer that a default is about to be listed with a credit reporting agency (37 complaints).

There is no comparison with previous years as the TIO did not capture complaints specifically about credit defaults until this year.

Payment Arrangements

Refusal to negotiate a payment arrangement resulted in 76 complaints. Refusal to renegotiate a payment arrangement when the complainant's financial circumstances changed resulted in 20 complaints.

Suspension/Disconnection of Services

The suspension or disconnection of an internet service when there was a dispute about the debt led to 153 complaints. There were 255 complaints about the suspension or disconnection of an internet service without notice.

Over-commitment

Over-commitment is the term used to describe complaints where:

- the customer has been billed an uncharacteristically high value of telephone calls or internet charges
- the service provider ought reasonably to have become aware (by monitoring the debt level of the customer) that the customer was incurring an unusual amount of debt
- the service provider might have been able to take steps to minimise or limit the customer's access to credit or exposure to debt.

The TIO divides over-commitment complaints into the following categories:

- complaints about the adequacy of supplier controls – where a provider has not provided adequate means of limiting the customer's risk of over-commitment (126 complaints)
- advice on credit control tools – where the customer claims that there was inadequate advice regarding the tools offered to minimise the risk of over-commitment (73 complaints)
- usage meter – complaints that the supplier does not provide a means for the customer to monitor their expenditure, or the means provided is faulty or not up to date (49 complaints).

In total, there were 242 complaints relating to over-commitment issues in 2006/07, compared with 98 in 2005/06. Over-commitment complaints were not divided into specific categories in 2005/06, making it difficult to make direct comparisons with this year.

It is apparent that more customers are complaining about receiving larger-than-expected bills. This can be attributed to a number of factors. One is that internet speeds are usually much faster now than in previous years and therefore customers are able to download high amounts of data within a relatively short time. This leads to customers incurring higher usage charges – especially if they are unaware that their "unlimited plan" may in fact incur high charges once the limit is exceeded.

Internet customers may also be unaware that downloading music files or videos from websites such as You Tube consumes high amounts of data and therefore may lead to unexpectedly high bills. Internet customers may also be unaware that file-sharing programs may result in usage being incurred on their plans, even when they are not using their computer.



CASE STUDY

Landline over-commitment

The complaint

The complainant contacted the TIO over a disputed bill consisting of international calls made by a student lodging with her.

She said that she and the lodger had agreed that he would use his mobile phone and not the complainant's home phone. The complainant's phone accounts were usually around \$250. Soon after the student moved in, she received a letter notifying her that her phone bill, which would be issued shortly, was higher than normal. She was shocked when she received a phone bill for over \$10,000. The complainant suffered a major illness while the student was staying with her and was in hospital for some of this time. She was therefore not in a position to know whether he was using her phone. The lodger told the complainant that his mother would pay the bill. She contacted the mother who said she had transferred \$10,000 to the complainant's bank account. Shortly afterwards the student was deported.

The phone company insisted that the complainant was liable for the whole bill and she reluctantly entered into a payment arrangement, believing that the lodger's family would reimburse her. When she realised that the family would not pay for the disputed calls, she ceased making payments and was credit defaulted. The phone company offered to reduce the debt to about \$8,000. The complainant rejected this outcome.

TIO response

The TIO formally investigated the complaint and asked the phone company to respond to the complainant's argument that it should have notified her that her account was higher than normal and taken action to limit the charges.

The outcome

The phone company said it had sent several letters to the complainant and had left three phone messages advising her that there were higher than normal charges on her account. As she was in hospital, she did not receive this information. A note on the phone company's system indicated that, two months before the bill was issued, it intended restricting the service to local calls only due to the high usage. An error was made and the service was not restricted.

The phone company agreed to remove charges of \$7,600 incurred after the date on which its system indicated the service should be restricted. It also removed the credit default. The complainant had previously made payments of \$400 and agreed to pay the balance of \$566.

TIO scheme *continued*

CASE STUDY

Mobile phone over-commitment

The complaint

On starting a mobile phone contract, the complainant was asked if she wanted global roaming activated.

She agreed, but said subsequently that the function itself, and its potential to incur significant charges, was not explained to her at the point of sale nor at any other time. Her average monthly bill was about \$30. Some time later she took her SIM card with her overseas. She said this was to access the information on it if necessary but she had not used the card at all while away.

She told the TIO that her SIM card had been stolen while she was overseas, but that she did not become aware of this until after her return to Australia 10 days later. She claimed to have disputed these charges with her provider when she became aware of them and contacted the TIO the following year when she realised that a default had been applied to her credit history. By this time charges to the value of \$18,000 had been billed to her account.

TIO response

The TIO referred the complainant to a senior level of complaint at the company concerned, which at that time was claiming that the card had been used fraudulently. It offered to halve the debt to \$9,000 and remove the default listing. The TIO then decided to formally investigate the issue on the basis of financial over-commitment – that is, that the provider had effectively extended excessive credit to the customer. The TIO approached the member and asked it to supply evidence with regard to:

- the information that was provided to the complainant about charges for global roaming
- any processes it may have in place to monitor over-commitment, and how this is calculated in relation to a customer's average spend
- the amount it claimed to have paid to its global roaming partners, and
- why another \$3,000 was allowed to accrue after the member became aware of the high usage.

The complainant provided documents confirming that she was not in the country from which the calls had been made at the relevant time.

The service provider advised the TIO that, when it first became aware of the significant usage, \$15,000 had already been billed to the customer's account.

The outcome

The TIO generally considers that customers are responsible for ensuring the security of their telephone, unless there are extenuating circumstances. In most cases the account holder is liable for the bills that accrue from their telephone's use even if they did not give permission to other parties to make calls. Service providers are expected to have measures in place to limit excessive usage. However, international roaming charges can cause difficulties in this context as the provider does not always have immediate access to a customer's billing information, which is sent from other carriers.

In this case, the provider told the TIO that it had an agreement in place with all overseas carriers such that high usage (which is defined as being more than \$100 in 24 hours) needs to be reported within 36 hours. Because no action was taken at that time, the provider agreed to waive all of the charges that had accrued after that 36-hour period, which reduced the amount considered owing to \$4,500. The TIO and the complainant accepted this offer as being fair and reasonable in the circumstances, and a payment arrangement was concluded for the outstanding amount.

Landline (Credit Management)

Landline credit management complaints dropped to their lowest level in years, but it is difficult to make any direct comparison with previous years because of the changes in keywords. Possible reasons for the reduction include the introduction of the revised *Credit Management Code*, and a number of providers introducing spending alerts for customers.

Year	Number
2004	5,528
2005	5,787
2006	5,221
2007	4,523

Collections Agents

The TIO recorded 56 complaints about collections agents using harassing or coercive conduct to collect payments and 608 complaints about agents attempting to collect payments when the service provider has been notified that the debt is in dispute.

Credit Defaults

The listing of a default with a credit reference agency when the debt was in dispute led to 617 complaints. Failure to update the credit default listing when a debt was paid or partially paid led to 124 complaints.

Payment Arrangements

In 2005/06, 755 complaints were recorded about payment arrangements. In 2006/07, payment arrangement complaints were divided into the following specific categories:

- not recorded – that is, the complainant stated they had negotiated a payment arrangement with their provider but the provider has no record of it (85 complaints)
- refusal to negotiate – where a provider refused to negotiate a payment arrangement when its customer could not meet their financial obligations (501 complaints)
- refusal to renegotiate – where a provider refused to renegotiate a payment arrangement when its customer's financial circumstances changed (291 complaints).

Suspension/Disconnection of Services

Suspension or disconnection of landline services where the complainant believed there was no notification that this was to occur led to 975 complaints. Suspension or disconnection of landline services when the provider had been made aware that the debt was in dispute led to 467 complaints. Direct comparison of these types of complaints with previous years is not possible due to the change in keywords.

Mobile (Credit Management)

Mobile credit management complaints increased slightly, from 5,434 to 5,642, but fell as a proportion of all complaints to the TIO – from 4.3 per cent to 3.6 per cent.

Payment Arrangements

Complaints about payment arrangements increased substantially, from 686 in 2005/06 to 968 in 2006/07. Of these, 77 related to complaints where a payment arrangement was not recorded in the supplier's systems, 667 were about a supplier's alleged refusal to negotiate a payment arrangement, and 224 were about a supplier's refusal to renegotiate a payment arrangement when the customer's circumstances changed.

Collections Agents

Collections agents attempting to collect debts when the debt was in dispute resulted in 861 complaints. The conduct of collections agents led to 42 complaints.

Credit Defaults

Complaints about default listings with credit reference agencies were higher for mobile phones than for landline and internet services. There were 822 complaints about a person being listed with a credit default agency when the debt was in dispute. Failure to update the listing when a payment was made resulted in 144 complaints and 567 complaints were received where the complainant stated they were not given notification that a debt was to be listed with a credit reference agency.

Suspension/Disconnection

Suspension or disconnection of a mobile service when the supplier had been notified of a disputed debt led to 465 complaints. Suspension or disconnection of a mobile service without adequate notification resulted in 907 complaints.

TIO scheme *continued*

Customer Service

Service type	2006/07	2005/06	% Change
Internet:	10,965	7,059	+55.3%
Landline:	7,950	13,106	-39.3%
Mobile:	8,133	13,740	-40.8%
Total:	27,048	33,905	-20.2%
% of all complaints:	17.2%	26.6%	

This year a new category of Complaint Handling was introduced. Many complaints which were logged under Customer Service are now logged under Complaint Handling, resulting in a reduction in the number of customer service complaints. Nevertheless, complaints about customer service issues remained high at 27,048, or 17.2 per cent of all complaints. Because of changes to the complaint keywords it is not possible to compare all categories of customer service complaints with previous years.

A new sub-category known as "Unable to Contact" has been introduced to capture complaints where the customer has claimed to be unable to contact their supplier because the supplier's phone line was constantly engaged or disconnected, or the supplier failed to respond to or acknowledge e-mails.

Internet (Customer Service)

Internet customer service

Discourtesy	320
Failure to action request	3,021
Incorrect/inadequate advice	3,229
Lengthy wait time	1,372
Refusal to deal with advocate	68
Unable to contact	2,955
Total	10,965

Internet customer service complaints rose by just over half from 7,059 to 10,965, contrasting with falls in landline and mobile services. Internet suppliers failing to provide a reasonable level of customer service was the third-highest cause of complaint after mobile Billing and Payments and landline Billing and Payments. Of the 10,965 customer service complaints, 4,696 (42.8 per cent) were about one company.

Discourtesy

A total of 320 complaints were recorded about rude or discourteous service, up from 138 in 2005/06. Customer service complaints were much higher overall for internet services than for landline services, but discourtesy complaints were lower for internet than for landline services. This may be partially attributable to the fact that high numbers of internet customers ("Unable to Contact" accounted for 26.9 per cent of all internet customer service complaints) are not even able to contact their supplier and are therefore not receiving any form of customer service – discourteous or polite. Many smaller ISPs require customers to complain solely via e-mail, which may not always be possible or desirable.

Failure to Action Request

The TIO recorded 3,021 complaints where the customer said that a supplier had not followed up a request. Such complaints may occur as a consequence of a customer calling about another matter – say, a problem with a fault or a transfer. The complaints included instances where the customer said the supplier failed to update address details or to update the customer's preferred method of receiving a bill. Complaints where customers were attempting to arrange for an authorised representative to be placed on their account also featured significantly. In 2005/06, the TIO recorded 1,628 complaints about the provider failing to action a customer's request.

Incorrect/Inadequate Advice

As with Failure to Action Request complaints, on most occasions TIO staff record complaints about incorrect or inadequate advice as a secondary issue to, say, a problem with a bill, a fault or a transfer. There were 3,229 complaints in this category, up from 1,697 last year. Many of these complaints were about customers querying a bill and not receiving adequate information about how the charges were incurred or what steps could be taken to limit the charges on the account. For example, if a customer queries high usage charges on an internet bill, the TIO finds that customer service staff often reply with statements such as: "The bill is correct and you need to pay it", instead of discussing different types of usage, such as browsing, file sharing, uploading and downloading, and the effects these can have on a bill.

Unable to Contact

Complaints about customers being unable to contact their supplier have become a major issue over the last few years, necessitating the introduction of a new complaint category in 2006/07. During the year a total of 2,955 complaints were received about this issue with relation to internet services. Of these complaints, a significant proportion was from the customers of one service provider.

Lengthy Wait Time

In addition to customers being unable to contact a supplier, many customers complain to the TIO when they have to wait on the phone for lengthy periods before being able to speak to someone. Internet customers reported 1,372 complaints about lengthy wait times – more than double last year's total of 635 complaints. As with complaints about customers being unable to contact their supplier, complaints of this nature may be indicative of suppliers not increasing staffing levels in line with increases in their customer numbers.

Landline (Customer Service)

Landline Customer Service

Discourtesy	438
Failure to action request	2,670
Incorrect/inadequate advice	3,440
Lengthy wait time	618
Refusal to deal with advocate	93
Unable to contact	691
Total	7,950

Complaints about poor customer service for landline services decreased significantly from 13,106 in 2006 to 7,950 in 2006/07. A major cause of the decrease is that, in previous years, Complaint Handling issues were recorded as Customer Service complaints. These complaints now have a separate category, "Complaint Handling". This year the combined total for the landline Complaint Handling and Customer Service categories was 16,489 complaints.

Discourtesy

Customers alleging that representatives of their supplier were discourteous or rude totalled 438, compared with 448 last year.

Failure to Action Request

Complaints where the supplier failed to action a customer's request fell from 3,126 in 2005/06 to 2,670 in 2006/07. Where possible, complaints about a failure to action a request are recorded under more specific complaint categories and therefore the decrease in complaints of this nature may be partially attributed to the recent improvements to complaint keywords. Changing the account lessee on the service is one area where the TIO finds that suppliers are failing to action customer requests. The TIO also hears a number of complaints every year where relatives of a deceased person complain that the telecommunications company continues to send bills in the deceased person's name, despite the relatives sending in copies of death certificates, sometimes on multiple occasions.

Incorrect/Inadequate Advice

The TIO recorded 3,440 complaints about incorrect or inadequate advice being provided for landline services. This was a substantial increase on the 2,437 complaints for 2005/06. As with internet, a large number of these complaints arise when the customer has contacted their provider about charges on a bill and is not given sufficient information about the relevant pricing associated with their plan. Customers stating that their supplier had not told them when their fault would be fixed are also examples of complaints recorded in this category.

Lengthy Wait Time

There were 618 complaints where the customer said they had to wait for long periods to contact a supplier. This is half the 2005/06 total of 1,215. The drop is attributable to the fact that in previous years, this sub-category also included Unable to Contact complaints.

Unable to Contact

Customers saying that they were unable to contact their landline service provider led to 691 complaints. Of those 691 complaints, over a third (236) were about one particular service provider.

TIO scheme *continued*

CASE STUDY

Customer service

The complaint

A man told the TIO that, for about five months, the e-mails his friends had sent him were on occasion being returned as “undeliverable”.

He said he had repeatedly tried to discuss this with his service provider, but due to his hearing impairment he believed the ISP was routinely terminating his calls. Due to the fault and customer service issues, he wanted to be reimbursed for half the amount he had paid during the five months.

TIO response

The TIO requested that the ISP contact the customer in a manner appropriate to his needs as one of the main obstacles to resolution of the complaint appeared to be the communication difficulties. The complainant said he had no problems communicating via a standard landline. But the delays and echoes he experienced while trying to speak with his ISP, which used a VoIP service for its customer service centre, compromised his understanding. At the same time, the complainant also told the TIO that his ISP was cancelling his service because he had contacted the TIO.

The ISP said that it had communicated successfully with the customer on several occasions. It would have been willing to contact him via a landline, but its infrastructure did not allow this. It suggested a more suitable method of communication would be via the National Relay Service, which specifically caters for people with hearing difficulties, or e-mail, which it had attempted with some success.

It said that the customer had not consistently received the technical support he required because he had repeatedly refused to provide his password. The customer had refused to participate in trouble-shooting tests. His service was not being cancelled because he had contacted the TIO, but because he had been abusive towards the ISP’s staff. As the customer’s contract had expired, the company said it was not obliged to continue to provide the service.

The customer confirmed that he had refused to provide his password, believing this to be a breach of his privacy. He also confirmed that he had chosen not to help the ISP trouble-shoot. He accepted that the ISP was not obliged to continue to provide him with a service, but still believed that, due to the fault issue, he deserved a refund and almost \$500 in costs he had incurred.

The outcome

There were four main issues the TIO was required to consider:

- By not taking his hearing impediment into account, had the ISP denied, or made it difficult, for the customer to receive the technical help he needed?
- Had the customer actively participated in trying to resolve the problems he claimed to have experienced?
- Was the ISP within its rights to discontinue providing the service?
- Was a refund a “fair and reasonable” outcome?

The TIO found:

- The ISP was not obliged to call the customer on a landline. It had offered to communicate by e-mail and the National Relay Service. If the customer had communicated via either method he would not have been disadvantaged.
- The ISP’s customer care notes and the TIO’s dialogue with the customer confirmed that he had not attempted to resolve the complaint in a meaningful manner. The notes demonstrated that he had a history of abusing and threatening staff, behaviour the TIO considers unacceptable.
- Generally speaking, every business is entitled to choose its customers and it is unrealistic to expect that every company can provide a service to each individual who requires it. In this instance the customer was out of contract, so the ISP and the complainant could cancel at any time, subject to the notice period required.
- The customer care notes also showed that, while the complainant said he had been experiencing faults for five months he had not told his ISP until after he contacted the TIO. The usage data provided by the member proved that, while a fault may have been experienced, the service had been used extensively throughout the period in question.

No refund was provided but, as a courtesy, the ISP offered to extend the service for an additional month to allow the complainant to find another plan.



Mobile (Customer Service)

Mobile customer service complaints fell from 13,740 in 2005/06 to 8,133 in 2006/07. As with landline and internet complaints, many complaints previously recorded under customer service issues are now being registered in the "Complaint Handling" category.

Discourtesy

Complaints about rude or discourteous customer service representatives increased this year, from 303 to 457.

Lengthy Wait Time

As with landline services, complaints about lengthy wait times dropped this year, from 439 in 2005/06 to 304 in 2006/07. This is due to the introduction of the "Unable to Contact" category.

Unable to Contact

Customers reporting that they were unable to contact their mobile provider resulted in 357 complaints. There is no comparison with previous years for this type of complaint.

Failure to Action Request

The TIO received 2,899 complaints where the supplier failed to action a request. This was 17.7 per cent fewer than in 2005/06 (3,521 complaints).

Incorrect/Inadequate Advice

Complaints about customer service staff providing incorrect or inadequate advice for mobile services increased from 3,017 in 2005/06 to 4,038 in 2006/07. As noted above, increases in this category were also seen for internet and landline services.

Directories

923 complaints were received about directories – 860 of these related to landline services and 63 about mobile services. The 923 complaints equated to 0.6 per cent of all complaints.

The TIO's jurisdiction excludes complaints about business directories. However, we have an informal agreement to refer *Yellow Pages* complaints to Sensis, the directory's publisher. If an agreement cannot then be reached, the TIO does not have the power to intervene. 148 complaints relating to *Yellow Pages* were registered for the year.

The TIO can investigate complaints about printed and online *White Pages*. Most complaints in 2006/07 (408) related to errors or omissions in a *White Pages* listing. Where an error or omission causes financial loss to a business, the TIO may investigate compensation claims after these have initially been raised with the complainant's service provider. 327 complaints related to disputed charges for *White Pages* listings. The remainder of complaints were about incorrect numbers being given on directory assistance and the accessibility of directory assistance.

TIO scheme *continued*

Disability

The TIO records complaints from people with disabilities under two categories: Disability; and Impaired Decision Making under the Contracts complaint category.

The Disability category includes sub-categories which deal with equipment-related complaints and also matters concerning priority assistance (see Priority Assistance, page 52).

Disability Equipment

The TIO can investigate complaints about the supply of disability equipment by the universal service provider, currently Telstra. As the universal service provider, Telstra must provide everyone in Australia with access to a basic fixed line telephone service – the standard telephone service (STS)

The STS is defined *Telecommunications (Consumer Protection and Service Standards) Act 1999 – s6* as a carriage service for the purposes of voice telephony, or if that is not practical for a person with a disability, another form of communication that is equivalent to voice telephony. Telstra provides its disability customers the option of leasing equipment appropriate to their needs at a cost equitable to standard equipment and services.

As the universal service provider, only Telstra is required to offer the full range of disability equipment. However, Telstra and Optus have disability equipment programs that provide both standard customer equipment with particular features and disability equipment to customers. In addition, some other phone companies who are resellers of Telstra's services have an agreement with Telstra to provide their customers with disability equipment.

The TIO can investigate complaints about the supply of disability equipment, particularly where Telstra is allegedly not complying with its obligations as the universal service provider – that is, if it is not providing the customer with reasonable access to the standard telephone service, including a rental handset. If a complainant's rental handset appears to be faulty, the TIO will investigate. In addition, we will also consider complaints where the equipment provided may not suit the person's disability, or where additional equipment is required to use a service but has not been supplied by a provider.

While providers other than Telstra are not bound to supply disability equipment under the universal service obligation, the TIO expects that all service providers who bill a customer for local access should ensure that their customer's disability requirements are met – within reason – in relation to the provision of telecommunications services in compliance with the *Disability Discrimination Act 1992* (Cwth).

This year, the TIO received 15 complaints about equipment under the landline category (compared with 17 under the same category last year). Two complaints were received under the internet category (none last year) and six under the mobile category (one last year).

Impaired Decision Making (Contracts)

Complaints recorded under this category concern situations where the decision-making ability of a person entering a contract is claimed to have been impaired. This may be because of a range of conditions, including intellectual disability, mental illness, or inexperience.

Where the complaint involves a person with an intellectual disability, the TIO will investigate the complaint in accordance with its position statement *Persons with intellectual disabilities entering contracts*. This statement says that the TIO receives complaints from people seeking to be released from contracts on the grounds that they were not aware of the implications of their actions in signing the contract because of an intellectual disability.

The TIO acknowledges that it may not be possible (or desirable) for a service provider to identify a potential capacity issue at the point of sale. However, when the TIO and the service provider become aware of such an issue, then we may ask for evidence in the form of a statement from a medical practitioner to support the complainant's position.

The TIO does not report the reasons for a person's impaired capacity in this complaint category, so the statistics relate only to impaired capacity. Complaints received under the impaired decision-making category were broadly in line with last year. Under the landline impaired decision-making category, 63 complaints were received (the same number as last year); under the mobile category, 279 were received (261 last year); and under the internet category, 34 (26 last year).

CASE STUDY

Internet data speed

The complaint

The complainant knew that his contract stipulated that if a user exceeded certain specified data download limits, then the service would be restricted so that slower speeds would apply.

However, he believed that his service had been prematurely “shaped” (or slowed down) on a number of occasions before he had exhausted his entitlement in terms of usage.

TIO response

The TIO decided to investigate this complaint as the customer said he had made enquiries regarding the shaping of his service to his internet service provider but claimed to have received no response. The TIO then requested the relevant documents from the ISP, which consisted of general information – such as the terms of the contract – and information particular to the service in question.

The TIO first assessed the ISP’s “Acceptable Use Policy” (AUP), which governs the conduct of its customers; most ISPs have an AUP, even when services are advertised as “unlimited”. An AUP is a means of imposing limits on internet usage in order to restrict “excessive use” by some customers, which can cause congestion and thereby reduce the quality of service to all users.

The ISP explained that, as a part of its AUP, it did not in fact employ “shaping” at all. Rather, all customers who exceeded the AUP were placed into a separate pool of bandwidth, so that their high usage did not affect the speeds of customers who used their service in a more restricted manner.

The TIO then considered the complainant’s actual usage, with a view to assessing whether or not the AUP had in fact been exceeded. It found that the user had downloaded excessively on a number of occasions, contradicting the suggestion that the speeds he had received were in fact slow. Additionally, the ISP advised the TIO that its customers were provided with a usage meter that was updated twice daily, so that they could monitor their usage and be aware when the limits were about to be reached or exceeded.

The outcome

The TIO advised the complainant that the usage reports indicated that he had exceeded his download limit on a number of occasions. As a result of exceeding that usage, he had been placed in a pool of bandwidth with other users who had also exceeded their allowance and this had caused him to experience slow speeds. We further advised the customer that the ISP had been acting according to its Acceptable Use Policy and that in the TIO’s opinion further investigation was not warranted.

TIO scheme *continued*

CASE STUDY

Land access

The complaint

A landowner complained to the TIO that a contractor had installed a lead-in cable (the cable that connects a house to the street telephone cabling) across his land without giving him notice or asking his permission.

He believed the cable was to provide a landline service to his neighbour. He became aware of the installation on inspecting his property and finding a trench that had recently been filled. The cable was only 300mm below the soil surface, which prevented him from using or cultivating the land. The landowner had already approached the service provider concerned, who had told him that the cable had been installed as a matter of right under the telecommunications legislation that applied at the time of installation.

TIO response

The TIO decided to investigate this issue as the landowner had already given the service provider a chance to respond to his complaint and we believed that it had not been adequately addressed. The main focus of the investigation was to ascertain whether the complainant had been formally notified that the provider was considering installing a cable on his land. While it is true that carriers have very broad powers to enter privately owned land to install and maintain some types of facilities, before exercising these powers they are required by law to provide reasonable written notice of this intent. This gives the landowner an opportunity to object to the facility on certain grounds only, one of these grounds being the location of the installation.

The TIO therefore asked the service provider for a copy of the notice served on the landowner (pursuant to the relevant clause of the *Telecommunications Act 1997*), and details as to when and how the cable had been installed.

The provider confirmed that the complainant's neighbour had requested a landline service and claimed that he had indicated to the contractor that he had obtained the landowner's consent to make use of an alleged easement on his property. It stated the service had been provisioned as a matter of urgency, as the neighbour suffered from asthma. But it could not provide a copy of the notice as required, nor any documentation as to the existence or relevance of an easement. Finally, it could not provide any proof that the landowner had in fact agreed to the installation.

The outcome

As the service provider could not provide any documentation which proved that the landowner had been given notice of the installation – or that his consent had been obtained – it agreed to reposition the facility. Once all of the relevant parties had been contacted, and the necessary permissions received, the lead-in cables were relocated to the satisfaction of those concerned.



Faults

Service type	2006/07	2005/06	% increase
Internet	7,271	3,316	119.3%
Landline	5,130	4,158	23.4%
Mobile	8,171	7,416	10.2%
Total	20,572	14,890	38.2%
% of all complaints	13.1%	11.70%	

Fault complaints rose from 14,890 to 20,572 this year. They now account for 13.1 per cent of all complaints to the TIO scheme, compared with 11.7 per cent in 2005/06. Most complaints relate to delays in rectifying faults. However, the TIO also captures complaints where technicians do not attend appointments to rectify a service and, for the first time this year, complaints where services have been disconnected in error.

Fully Unworkable Service

A new sub-category, "Fully Unworkable", was introduced this year. It is designed to capture faults where there is no access to the network, as opposed to faults where some features of the service (such as message bank and usage meters) may be faulty but customers are still able to receive a service. Network outage complaints are captured in a separate category from fully unworkable services. Often it is hard for the TIO to determine from first contact with a complainant whether a fault is due to an equipment failure or whether it is a network or other type of problem.

Internet (Faults)

Complaints about faults on internet services more than doubled during the year, from 3,316 to 7,271. For the first time, internet fault complaints outstripped those for landline and were just behind those for mobile services.

Many complaints about internet faults were recorded with multiple issues, which may account for a portion of the increase in complaint numbers. However, during 2006/07 the TIO received a very high number of fault complaints about one internet service provider. In the internet faults category the company recorded 1,990 complaints, or 27.4 per cent of all internet faults complaints.

Dropouts

These complaints occur where an internet connection is established but then "drops out". This year the TIO recorded 1,525 complaints about dropouts, compared with 754 last year.

Slow Data Speed

Problems with slow data speed resulted in 1,095 complaints, compared with 609 in 2005/06.

Equipment Faults

Faults with equipment generally relate to faulty or incompatible modems supplied by internet service providers. The TIO recorded 544 complaints in this category. As this is a new category of complaint, no comparison is available with previous years.

TIO scheme *continued*

Landline (Faults)

There were 5,130 complaints about faulty landline services, up from 4,158 in 2005/06. The percentage of landline faults as a total of all complaints remained static from 2005/06 to 2006/07 at 3.3 per cent.

The TIO divides landline fault complaints into Customer Service Guarantee (CSG) services and non-CSG services. The CSG is a standard administered by ACMA that provides for financial compensation to be paid to customers affected by delays in telephone service connections, delays in fault repairs and missed appointments. The CSG is payable on the standard fixed line telephone service where the customer does not have more than five telephone lines.

Most complaints (93.3 per cent) about faulty landline services relate to CSG services. One fault complaint may result in a number of complaints being listed – for example, a faulty service may result in a complaint listed under the categories of Fully Unworkable, Missed Appointment, and Compensation.

Fully Unworkable Services/Partly Unworkable Services

A total of 2,679 complaints were recorded where there was a delay in rectifying a service that was not usable at all. This is the first time the TIO has recorded complaints under this category. There were 795 complaints about services that were partly unworkable – that is, where calls drop out or there may be a high level of noise or interference on the line.

Recurring Intermittent Faults

Delays in rectifying recurring and intermittent faults improved slightly this year, with complaints dropping from 911 in 2005/06 to 749.

Missed Appointments

Complaints about missed appointments for faults remained reasonably static, with 129 complaints being recorded versus 153 for 2005/06.

Mobile (Faults)

Mobile fault complaints increased from 7,416 in 2005/06 to 8,171 in 2006/07. New complaint categories introduced in 2006/07 allow the TIO to be more specific about the types of mobile fault complaints it receives and investigates. Direct comparisons with previous years is difficult because of the change of categories.

It is pleasing to note that the number of complaints received about Hutchison 3G Australia in this category has dropped significantly. In last year's annual report, the TIO said that Hutchison accounted for 47 per cent of all mobile fault complaints and for 60 per cent in 2004/05. This year, Hutchison accounted for 34.4 per cent (2,807) complaints in this category.

Fully Unworkable

In contrast to internet and landline faults, complaints where a mobile service was fully unworkable represented a minor proportion of faults – 600 of the 8,171 complaints. This is because, in general, mobile services may suffer from poor coverage in certain locations or occasional network outages and equipment faults that may not make the service wholly unworkable.

Coverage

Coverage complaints increased slightly to 1,119 this year, compared with 942 complaints last year.

Network Outage

In previous years, the TIO captured complaints about the network. However, this type of complaint did not refer specifically to network outages. The TIO recorded 90 complaints about network outages in 2006/07.

Equipment Fault

Encouragingly, complaints about equipment faults where the equipment was supplied as part of a bundled service (previously known as handset faults) decreased marginally from 5,897 in 2005/06 to 5,613 in 2006/07.

Dropouts

Mobile dropouts – where a call was established but dropped out due to network and coverage issues – led to 454 complaints. This specific type of complaint was not captured previously.

Land Access

Service type	2006/07	2005/06	% change
Internet	37	16	+131.3%
Landline	431	482	-10.6%
Mobile	12	9	+33.3%
Total	480	507	-5.3%
% of all complaints	0.30%	0.40%	

Land access accounted for a minor proportion of all complaints, numbering 480 and consisting of just 0.3 per cent of all complaints for 2006/07 – down marginally from 507 (0.4 per cent) in 2005/06.

Carriers and carriage service providers are required to be members of, and comply with, the TIO scheme. The main difference between these two types of business structures is that carriers own or control telecommunications networks or infrastructure, whereas carriage service providers use a carrier's network to provide their services.

Carriers have broad powers under the *Telecommunications Act 1997* (Cwlth) to access land for inspection, installation of facilities and maintenance of facilities. Of particular importance is their right to install "low-impact" facilities without the consent of the landowner and with immunity from a wide range of state laws.

The Act places obligations on carriers exercising their land access powers and the *Telecommunications Code of Practice 1997* provides owners or occupiers of land affected by a carrier's activity with a limited right to object. After receipt of an objection, carriers are required to undertake a mandatory consultation process and attempt to resolve the objection by agreement with the landowner or occupier. The code also provides that unresolved objections may be referred to the TIO and that carriers are required to comply with a direction given by the TIO.



CASE STUDY

Information disclosure

The complaint

The TIO received a phone call and follow-up fax from a consumer who had requested the installation of broadband. He said that during the installation process the technician told his neighbour that he was installing cable internet at the consumer's apartment.

The consumer asked the technician not to speak to his neighbour and when he continued to do so, he complained to the service provider about the technician's conduct. The technician then left the premises without installing the connection. The consumer said that the technician had divulged his personal information but did not say what, apart from telling the neighbour that he was installing broadband. The consumer also said that the technician had made racist remarks to him – although he did not say what the technician had said. He sought \$2,700 compensation to alleviate the pain and suffering he said he had experienced, in addition to the time he had spent lodging the complaint and lost earnings for the day he was at home for the installation.

The complainant's first fax to the TIO used abusive and racist language about the technician. The TIO advised him to approach the matter in a courteous manner and asked him to rewrite the letter. The complainant provided a second fax which was acceptable to the TIO.

TIO response

The provider said it rejected the consumer's request for compensation. It said the technician did in fact speak to the neighbour but did not disclose any personal information. It said that, to install cables in apartment blocks, it must seek permission from the body corporate to gain entry to common areas. It also said that, where access to shared roof space above units was required, its technicians should notify affected residents, otherwise they may believe that someone is attempting to break in to their apartment. The provider said the technician was concerned for his safety as the complainant was abusive towards him and that he was told by his supervisor to leave the premises immediately.

The outcome

The TIO accepted the provider's assurance that the technician had done the right thing by advising the neighbour that he was installing broadband. As the consumer did not provide any examples of how he believed he was racially vilified, and as it was clear that the technician did not complete the installation as he was concerned for his safety, the TIO declined to investigate further. Where a complainant is not satisfied with the TIO's investigation of a privacy matter, the complainant may approach the Privacy Commissioner.

TIO scheme *continued*

The TIO can investigate land access objections received only from either the landowner or the occupier. Complaints about the installation of low-impact facilities on a neighbour's land or council property cannot be dealt with by the TIO. In general, complex complaints regarding objections to low-impact facilities are investigated at Level 4. During 2006/07, 17 complaints regarding land access issues were investigated at Level 4 status.

Damage by Complainant

This category covers complaints where the customer (or someone who is not the customer of a supplier) has damaged the supplier's property. Typically, in these types of complaints, the TIO is contacted by a person who allegedly has damaged a supplier's cables and is being held responsible for paying for the damage. In some cases, the complainant has not obtained information about the whereabouts of cables before undertaking work in that location. In other complaints, the complainant claims that the cables were not laid in the location stated on relevant maps or the cable was laid very close to the surface. For landline services, the total number of complaints received for 2006/07 was 97.

Damage by Provider

The TIO received 233 complaints about suppliers causing damage to customers' property during the installation of telecommunications equipment.

Failure to Give Notice

Failure of suppliers to give notice that they would enter a landowner's or occupier's property resulted in 39 complaints. In one complaint investigated by the TIO, the complainant noticed that a cable had been dug through his property when he had received no notification that this was to take place. See case study page 48.

Subscriber Connection

Complaints about the way a connection is installed – for example, where a cable may be strung too low across a customer's driveway – led to 39 complaints.

Objection

As described above, the TIO investigates complaints where an owner or occupier objects to the installation of cabling or other low-impact facilities on their property. A total of 64 complaints of this nature were received, with an additional eight being considered premature and referred back to the supplier for discussion and resolution.

Payphones

The TIO received 34 complaints about payphones. The TIO can take complaints only about faults and charging; it cannot investigate complaints about the location or removal of payphones. Where customers have complained to Telstra about the location of a payphone and remain dissatisfied, they may direct their complaint to the Australian Communications and Media Authority (www.acma.gov.au).

Phonecards

Complaints about phonecards rose from 371 last year to 559 this year. The addition of substantially more keywords to the complaint category means that the TIO can capture these complaints in more detail.

The main sub-category of complaint – 188 complaints – was about disputed charges. Most commonly customers said they did not receive the amount of talk time they were promised at the point of sale. More concerning were complaints where a person was advised to call the central access number only to find that they had received a substantial bill as they had either:

- dialled an STD number or
- were charged substantial call costs as they had used a mobile phone.

Another significant area of complaint was the customer's failure to be able to contact the phonecard company. This resulted in 75 complaints. Customers were also concerned about faulty, invalid or expired cards, which resulted in 56 complaints to the TIO.

Phonecard companies are usually small operations that can be hard for customers and the TIO to contact due to the limited information that is supplied with the cards. Phonecards can now be purchased over the internet as well as at newsagencies and other retailers.

Priority Assistance

Priority Assistance is a service designed to help people with diagnosed life-threatening medical conditions who depend on a reliable, home (landline) telephone service to call for assistance when needed. Priority Assistance customers are entitled to faster connection and fault repair of their telephone service and a greater level of reliability than other customers. In urban and rural areas Priority Assistance customers are entitled to have a service connected or a fault repaired within 24 hours. In remote areas, the timeframe is 48 hours. Service providers must test a Priority Assistance customer's phone service if they experience two or more faults in a three-month period.

Telstra is the only service provider required to provide Priority Assistance services to its customers as a condition of its licence, but some other service providers also offer Priority Assistance services.

Priority Assistance is a sub-category of the Disability complaint category.

CASE STUDY

Provisioning delay

The complaint

The complainant contacted the TIO about a delay in the provisioning of a telephone service at his property in rural Tasmania.

He had advised his phone company of the date he was moving into the new premises and had been given a date for the installation. Before requesting the new service he had called the phone company to ask for maps of its infrastructure so he could dig a trench for the phone connection through his property to the telephone network.

He said that the infrastructure was not where the phone company said it would be and advised the company of this. On the date that the connection was to go ahead the phone company discovered that there was no available infrastructure and the connection could not take place. About a week later the complainant was provided with an interim mobile phone service (interim service A) which he said was unusable due to frequent call drop-outs.

Three weeks later the interim service was replaced with a CDMA mobile phone (interim service B) which was usable despite some drop-outs. The service provider calculated that he was entitled to a Customer Service Guarantee (CSG) payment of \$58.08 for the delay between the agreed connection date and the provision of the first interim service. The complainant claimed that the \$58.08 did not cover the cost of the mobile phone calls he had to make due to the interim services not working properly. The complainant's main complaint at the time of contacting the TIO was that he wanted the phone service connected as soon as possible. By the time he contacted the TIO he had been given three connection dates which had not been met.

TIO response

The TIO raised a formal complaint requesting that the phone company connect the service as soon as possible and provide a connection date. The TIO also raised the issue of whether the interim services were an adequate substitute for the phone connection. This could have an impact on the CSG entitlement as the TIO considers that CSG applies where an interim service is of poor quality.

The phone company provided the TIO with an expected completion date (which subsequently was not met) and said that the interim service B was functioning and that the complainant's total CSG entitlement was \$58.08.

The TIO asked the phone company for fault reports for the interim services and copies of itemised phone bills indicating their usage. The TIO formed the opinion that the low number and short duration of calls made from interim service A indicated that it was not functional. The TIO believed that the complainant was able to make calls from the date interim service B was supplied.

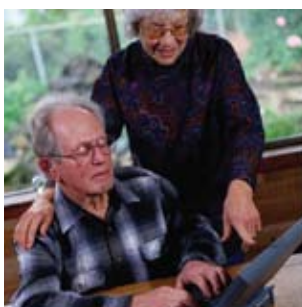
When the TIO examined the fault history for the service, it became evident that there was only one fault report for interim service A, made just before the service was replaced with interim service B. The service provider said that, as the complainant had not reported faults on interim service A, it had not been given the chance to repair or replace it. The complainant was therefore not eligible for the CSG for this period. The service provider also produced records of the complainant reporting that interim service A was functional. The TIO asked the complainant if he had any further proof such as notes of discussions or mobile phone records (he had a mobile phone with a different company) to show that he had reported faults on the first interim service. The complainant said he did not.

The outcome

The complainant's service was connected six months after the agreed connection date. The complainant told the phone company a few days later that the service was connected. It responded saying that it wasn't due to be connected until the following week. The complainant mailed the interim service (mobile phone) to phone company and came home to find that his phone was not functioning. It was rectified six days later. The complainant received an additional CSG payment of \$43.56 for the delay in fixing the service fault.

The complainant advised the TIO that, while he felt he had been treated badly by the service provider, he did not want to pursue the matter further.

TIO scheme *continued*



The TIO takes Priority Assistance complaints under four sub-categories:

- connection, which relates to complaints where the customer said that their provider had not fulfilled the timeframes required under Priority Assistance (11 complaints recorded)
- fault rectification, which relates to circumstances where the customer said that their provider had not fulfilled its timeframes for fault rectification (25 complaints recorded)
- notification, which relates to circumstances where the customer said that their provider had not advised them of the existence of the Priority Assistance program and how they may apply for it (eight complaints recorded)
- rejection of application, which relates to complaints where a customer has had their application for Priority Assistance rejected (four complaints recorded). Customers must provide medical evidence in support of their claim for Priority Assistance. The TIO cannot review medical evidence and can only examine whether a provider followed its procedure in assessing a person for Priority Assistance.

Privacy

Service type	2006/07	2005/06	% change
Internet	182	106	+71.70%
Landline	1,432	2,698	-46.92%
Mobile	729	575	+26.78%
Total	2,343	3,379	-30.66%
% of all complaints	1.5%	2.7%	

The TIO records complaints about privacy under several sub-categories. They include where:

- a person has been telemarketed by a TIO member
- a provider has denied a person access to information held about them
- information held by a provider about a person is not accurate
- a person is concerned about the way their personal information has been collected
- a person says that their silent number has been disclosed by their provider.

Landline (Privacy)

The event that had the most significant impact on privacy complaints was the the Federal Government's introduction of the *Do Not Call Register* in May 2007. People can list their mobile and landlines on the register to opt out of receiving certain telemarketing calls. Substantial financial penalties can be levied against companies who continue to call people who are on the *Do Not Call Register*. The register does not apply to small businesses.

Despite the register being operational for only one month of the 2007 financial year, telemarketing complaints to the TIO have fallen substantially. This may have been because people opted to wait until the register was operational instead of complaining to the TIO and that telemarketing organisations had curtailed their activities in anticipation of the introduction of the register.

In 2005/06, 1,738 telemarketing complaints were received from users of landline services. This year, that had dropped by 60.9 per cent to 680.

The sub-category that attracted the most complaints after telemarketing was disclosure of silent numbers by a provider, where 182 complaints were logged, compared with 201 in 2005/06. Despite the relatively small number of complaints received, it is concerning that people may be left in a vulnerable position because a provider has disclosed their silent number.

The TIO has a position statement, *Disclosure of silent numbers*, detailing how it will deal with complaints of this nature. In cases where a person alleges they are at risk as a result of the disclosure of their phone number, the TIO may ask for evidence in support of the claim. One avenue of redress is for the TIO to award compensation against the provider.

Mobile (Privacy)

Privacy complaints were similar to those received from landline service users, but on a smaller scale.

Telemarketing complaints from users of mobile services rose marginally, from 120 to 133. More than likely this reflects the overall increase in mobile phone complaints. Fewer silent line disclosure complaints are received as customers normally have to opt in to have their mobile listed in a directory, whereas landline users have to opt out.

Internet (Privacy)

182 complaints were received about internet privacy issues during 2006/07. This number was an increase on the 106 complaints received in the previous year. However, in both years these complaints represented only 0.1 per cent of all complaints received by the TIO.

Complaints about telemarketing and spam (unsolicited marketing e-mail) from ISPs led to 55 complaints to the TIO. There were 14 complaints about inadequate advice provided by ISPs about how to block spam. The remaining 113 complaints were about a customer's personal information being collected, disclosed, or inaccurately recorded or ISPs not allowing the customer access to the personal information it holds on them.

Provisioning

Service type	2006/07	2005/06	% increase
Internet	4,344	2,259	92.3%
Landline	3,196	2,639	21.1%
Mobile	365	169	116.0%
Total	7,905	5,067	56.0%
% of all complaints	5.0%	4.0%	

Provisioning complaints rose to 7,905 (5.0 per cent of all complaints) from 5,067 (4.0 per cent).

Changes to complaint categories have made it difficult to compare some provisioning types of complaints with previous years, but they have also enabled the TIO to be more specific this year about the provisioning complaints – especially in relation to internet services. Most provisioning complaints relate to delays. Some complaints are for missed appointments and for advice about the coverage or availability at the customer's location.

Internet (Provisioning)

Provisioning of internet services caused an increasing number of complaints throughout 2006/07 – rising from 2,259 to 4,344. The internet provisioning category captures complaints about missed appointments (33 complaints), advice about the coverage or availability of the service (1,042 complaints) and various types of provisioning delays (3,269 complaints).

Provisioning Delay

Delays in the provisioning of internet services resulted in 3,269 complaints. Because broadband services such as ADSL and ADSL2 require changes to the exchange before a service can be enabled, customers experienced delays when the provisioning did not go ahead as expected. The TIO also received complaints from people applying to upgrade their existing ADSL service to an ADSL2 service who encountered difficulties because their ADSL service was disconnected, the port at the exchange was given to another customer, and for various reasons they were then not able to receive the ADSL2 service. In some of these situations the customer was without an ADSL service until another port became available.

Provisioning Advice: Coverage/Availability

The quality of advice provided to customers about the provisioning of ADSL and ADSL2 services proved to be a problem in 2006/07, resulting in 1,042 complaints. The TIO did not previously capture this type of complaint. The TIO found that many customers who put in a request to receive ADSL and ADSL2 services are given incorrect advice about the availability of the product at their premises. These complaints differ from complaints registered under Contracts/Point-of-Sale Advice, as the customers do not actually go ahead with a contract in these situations.

Landline (Provisioning)

Provisioning of landline services resulted in 3,196 complaints, compared with 2,639 in 2005/06. In percentage terms, the complaints remained static at 2 per cent of all complaints.

As with fault complaints, the TIO divides provisioning of services into Customer Service Guarantee (CSG) and non-CSG services. The vast majority of complaints for landline faults are about CSG services.

TIO scheme *continued*

Connect Outstanding

Connect outstanding provisioning delays occur where a new occupant at a premises cannot be provided with a phone service because the previous occupant has not arranged disconnection of the service, or the original occupant's service provider has failed to act on a disconnection request. Connect outstanding complaints dropped from 222 in 2005/06 to 135 in 2006/07, indicating that the *Connect Outstanding Code* is improving the disconnection and reconnection process.

Pre-provisioning of New Service

This year, provisioning complaints have been expanded to capture complaints about pre-provisioning issues. Pre-provisioning of a service involves upgrading the "network", or installing it where it is not available, and commonly involves digging trenches and laying underground cabling from the existing network through the customer's land to the first telephone socket in the premises. It is usually required for connections to a newly built residential or business premises. The TIO often hears complaints that customers were not advised to arrange the pre-provisioning of their premises, or were not told how to go about arranging the connection of the service after the pre-provisioning was completed. The TIO received 83 complaints about pre-provisioning issues in 2006/07.

Delay, In-place CSG service

"In-place" services are those where a phone has previously been connected, there is an existing telephone socket and the infrastructure is either intact or some restoration work may be required to restore the relevant infrastructure between the premises and the exchange. This year the TIO recorded 1,022 complaints about delays in provisioning of in-place services for Customer Service Guarantee services. Changes to complaint keywords have made comparisons with previous years difficult.

Delay, New-service CSG service

"New-service Customer Service Guarantee service" covers the installation of a new connection at the customer's premises or connection to a service that has previously existed but where a technician is required to visit the premises to install or work on cabling. Complaints about this type of connection totalled 1,380 for 2006/07. Changes to complaint keywords have made comparisons with previous years difficult.

Mobile (Provisioning)

Mobile provisioning complaints increased from 169 in 2005/06 to 365 in 2006/07. Most were about the delay in provision of a mobile service. However, about a third related to number allocation.

Number allocation

Complaints about the allocation of phone numbers rose from 38 complaints in 2005/06 to 101 in 2006/07.

Some of these complaints relate to pre-paid mobile phones, where services have been cancelled when the phone has not been used within a specified time period. If no arrangements have been made to reserve the phone number, numbers are placed in quarantine after the service is cancelled and may eventually be reissued to new customers.

Transfer

Service type	2006/07	2005/06	% change
Internet	741	213	+247.9%
Landline	4,856	(5,082 + 131) (porting)	-6.8%
Mobile	618	647	-4.5%
Total	6,215	6073	+2.3%
% of all complaints	4%	-4.8%	

As the name suggests, Transfer encompasses issues encountered during the transfer of services between providers. This category incorporates the old categories of Churn (or Customer Transfer) and Porting (transfer of mobile phone numbers between networks). Complaints rose slightly from 6,073 to 6,215 but decreased in percentage terms from 4.8 per cent to 4 per cent.

Internet (Transfer)

Complaints about internet transfers rose substantially, from 213 in 2005/06 to 741 in 2006/07 – an increase of 248 per cent. Transfer problems were not usually an issue for customers of dialup services, but more customers are using broadband services and are experiencing delays with the transfer from one provider to another. Complaints where services are transferred between providers without the customer giving their informed consent are also on the increase for internet services.

The TIO will monitor this area since technological advances are likely to allow customers greater freedom to move between providers. With this freedom comes the opportunity for error.

Transfer delay

As mentioned above, changes to the technology of internet services have resulted in increasing numbers of transfer delay complaints. With ADSL and broadband services, suppliers are often required to physically undertake work at the exchange or customer's premises and this can lead to the customer experiencing delays. Complaints where the customer is waiting for their supplier to send out a modem before they can access the service are also a common problem. Transfer delays resulted in 323 complaints to the TIO, compared with 63 for 2005/06. The TIO expects complaints of this nature to continue increasing.

Reversal

Problems with reversing internet service transfers led to 25 complaints about a reversal delay, 24 complaints about the supplier's failure to reverse the service and three complaints where the service was not returned in its original state (for example, it may not have been reinstated on the original plan).

Unauthorised

Complaints about the unauthorised transferring of services have been separated into more specific keywords in this financial year, making some exact comparisons with previous years difficult. Data for the new keywords are as follows.

- **No informed consent** – complaints where the customer alleged their service was transferred without informed consent resulted in 204 complaints. In complaints of this nature, the TIO commonly hears from complainants that they were contacted by a telemarketer and agreed over the phone to transfer to that internet supplier, subject to the supplier sending more information. They then discovered some time later that their service was transferred to that company.
- **Unauthorised/not authorised customer** – complaints where the person arranging the transfer was not the authorised customer (for example, the supplier arranged the transfer with the spouse or child of the account holder) accounted for 40 complaints.
- **Administrative error** – this category captures complaints where a service may have been transferred in error due to a supplier inputting incorrect details or a customer not providing a supplier with their correct service details. This category has been used in previous years. This year 28 complaints of this nature were received, compared with 25 for last year.
- **Cancelled in cooling-off period** – often telemarketers advise potential customers that they can cancel the service during the cooling-off period if they're not happy with it. The TIO recorded 45 complaints where the service was transferred to the new provider, even though the customer cancelled during the cooling-off period. This complaint category has not been used in previous years.

Landline (Transfer)

Transfer complaints about landline services dropped slightly from 5,213 in 2005/06 to 4,856 in 2006/07. Some transfer complaint categories are comparable with those in previous years. However, changes to keywords and the introduction of more specific categories have made direct comparisons difficult in some areas.

Delay

Complaints about the delay in arranging a transfer increased from 764 in 2005/06 to 897 in 2006/07.

Reversal

Reversal of transfers led to the following complaints:

- delay, 57 (where the transfer back to the original supplier was delayed)
- failure to reverse, 174 (the supplier did not undertake the required actions to reverse the transfer)
- service different, 10 (the service was not reinstated in its original state – for example, with barring of international numbers or CND blocking).

Sales Tactics

Complaints about sales representatives using harassing or coercive conduct in order to elicit a transfer led to 243 complaints. This is a new category and the TIO will be monitoring it closely.

Unauthorised

Complaints about the unauthorised transfer of landline services remain high and indicate that providers need to improve their adherence to the relevant industry codes, including the *Commercial Churn Code* and the *Customer Transfer Code*.

Complainants alleging they did not provide informed consent to the transfer resulted in 1,895 complaints.

Complaints where the service was transferred due to an administrative error resulted in 221 complaints (this keyword was used in previous years and we can therefore see that the complaints decreased from 345 last year).

Services transferred even though the customer chose to cancel the transfer within the specified cooling-off period led to 277 complaints.

Complaints where the service was transferred by someone who was not the authorised customer – for example, the spouse or child of the account holder – led to 598 complaints.

Point-of-Sale Advice

Information supplied at the point of sale when a transfer was arranged is a new category introduced this year. This category is further divided into specific areas, including the following:

- name of supplier – where the identity of the supplier of the services is not made clear to the customer (105 complaints)
- product and terms – where the information supplied about the product and terms of the supply, such as pricing, etc., are not made clear (199 complaints)
- termination fee – where customers claim they were not made aware of the existence or specific amount of a fee for terminating the service (three complaints).

TIO scheme *continued*



Mobile (Transfer)

Mobile transfer complaints dropped slightly, from 647 in 2005/06 to 618 in 2006/07. Of these, more than half related to complaints about a delay in transferring services.

Transfer Delay

Delay in transferring services was the most common form of transfer complaint for mobile services (348 complaints, compared with 319 in 2005/06). Transfers between providers where the customer is keeping their mobile phone number can take place in as little as two hours. The TIO would expect most transfers to be achieved within 48 hours but has had complaints of some taking up to six weeks. While complainants have use of the mobile phone service during this period, often with these types of complaints the customer has not realised that their phone is still being billed by their original provider, and they have been using their phone believing that they will receive discounted call charges from their new provider. These types of complaints then result in a billing dispute between the new and the original provider.

The Australian Communications and Media Authority publishes on its website, at www.acma.gov.au, a series of frequently asked questions on mobile number portability.

Unauthorised

The unauthorised transferring of mobile services was the second-highest mobile transfer complaint category. These complaints were further broken down into the following complaints:

- administrative error (6 complaints)
- transferred, despite the customer cancelling the transfer during the cooling-off period (30 complaints)
- customers not providing informed consent (96 complaints)
- transfer arranged by someone who was not the authorised customer (62 complaints).