

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

HOW WE HANDLE COMPLAINTS

This year, we received 261818 **contacts** from consumers and small businesses who claimed they could not resolve a problem with their telephone or internet service provider.

A total of 31753 of these contacts were classed as **enquiries**, which we do not have the power to examine. (More information about what we can and cannot examine is available at www.tio.com.au/policies/jurisdiction.htm.) We cannot, for example, examine commercial actions such as a provider's decision not to supply a particular area with broadband.

A total of 230065 contacts were classed as **complaints**, which we have the power to examine.

Complaints are classified according to the service type they concern; that is internet, mobile, landline or mobile premium services (A breakdown appears in the figure below). Each complaint may be about several complaint issues. For example, a person who complains about a landline bill may also complain about a landline fault or a credit management issue. This year, we recorded 481418 **complaint issues**.

Complaint issues are recorded under several broad categories, which are broken down further by keywords. The figure on the opposite page, provides a summary of our complaint issue categories. More detailed analysis and detailed descriptions of our keywords are provided in the following pages.

We logged a total of 481 418 **issues**. Each complaint may be about several complaint issues. For example, a person who complains about a landline bill may also complain about a landline fault or a credit management issue.

COMPLAINTS AND COMPLAINT ISSUES

This year, we received 261818 contacts from consumers and small businesses who claimed they could not resolve a problem with their telephone or internet service provider.

We got 31 753 **enquiries**, which the TIO does not have the power to examine.

A total of 230065 **contacts** were classed as complaints, which the TIO has the power to examine. Complaints are classified according to the service type they concern; that is internet, mobile, landline or mobile premium services.

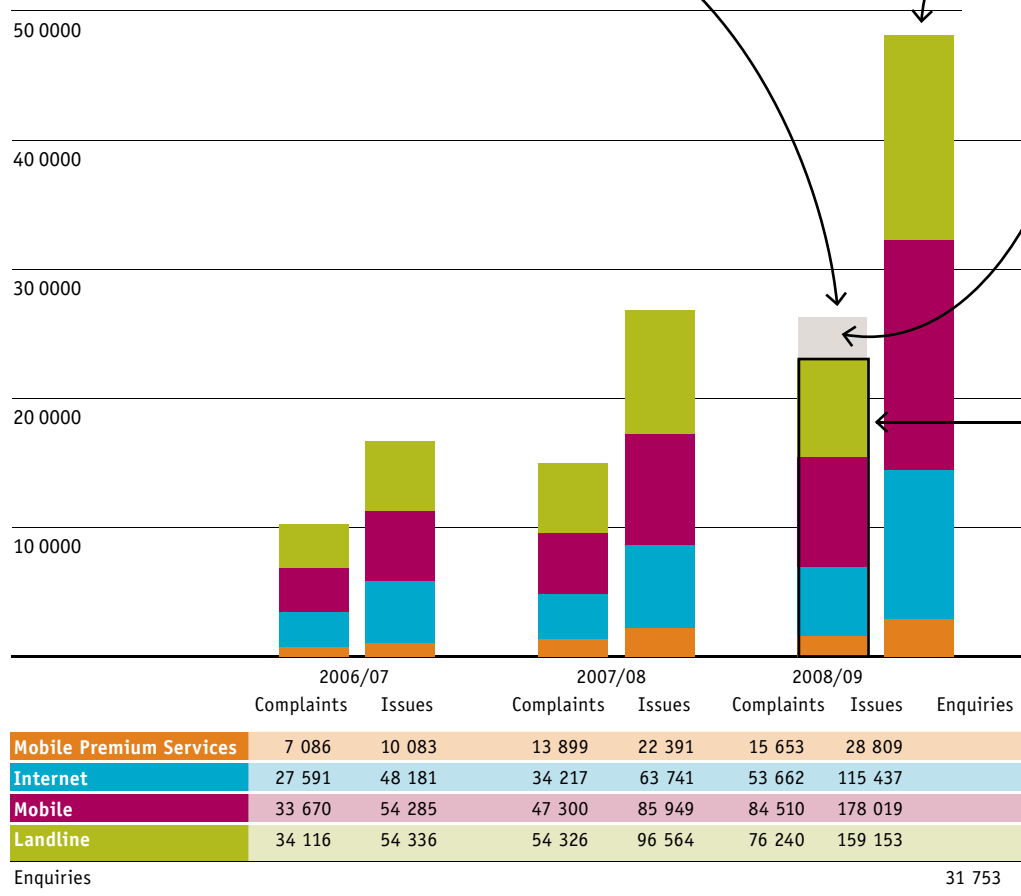


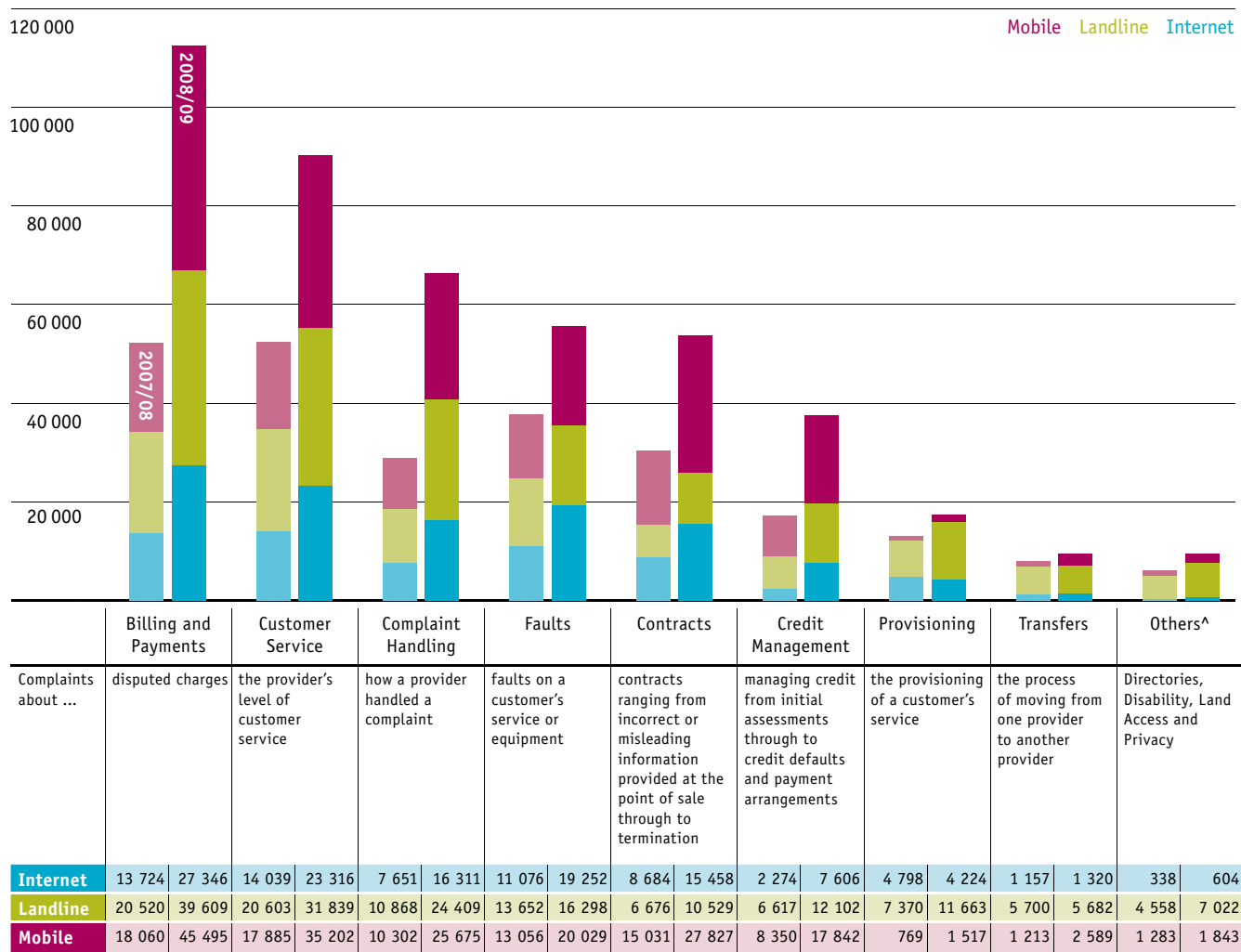
Figure 7 Complaints and issues

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

COMPLAINT ISSUE CATEGORIES

Complaint issues are recorded under several broad categories, which are broken down further by keywords. Here's a summary of our complaint issue categories. More detailed analysis and detailed descriptions of our keywords are provided in the following pages.



^ Directories: Complaints about Yellow and White Pages directories
 Disabilities: Complaints about the provisioning of services, faults and discrimination of services to those with disabilities
 Land Access: Complaints regarding the issues relating to land access
 Privacy: Complaints about the private information of a customer

Figure 8 Complaint issue categories

This year, mobile complaints took over from landlines as the service with the highest number of complaints. Landlines were the leading source of complaints in the 2006/07 year and also last year. The change reflects the increasing penetration and breadth of mobile services.

Complaints about mobile premium services increased slightly over the previous year (from 13 899 to 15 653). Complaints about these services declined significantly in the last quarter of 2009, which may reflect an early acknowledgement by providers of the tighter restrictions imposed by the Australian Communications and Media Authority from 1 July 2009.

While the most numerous, the growth rate in billing and payments complaint issues was third to complaint handling (130% increase) and credit management (118% increase) complaint issues.

A complete breakdown of our complaint statistics appears on the following pages. A breakdown of statistics by providers who have received more than 25 complaints is listed at the back of this report.

MAJOR COMPLAINT CATEGORIES

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BILLING AND PAYMENTS

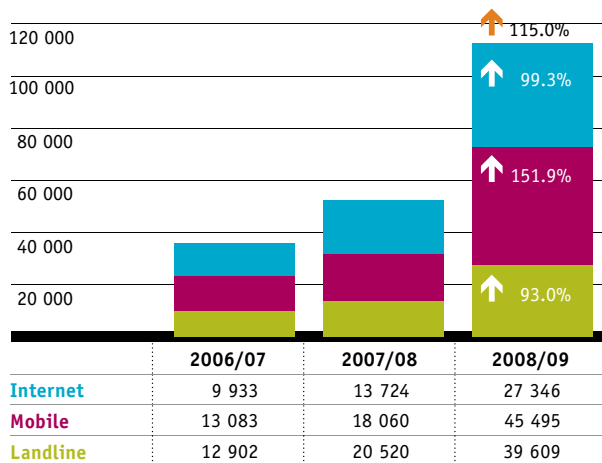


Figure 9 Billing and payment issues

This year, billing and payments generated the highest number of complaint issues. This category includes disputes about usage and administrative charges and disputes about incorrect or unauthorised direct debits. Overall, billing and payments complaint issues rose by 115%.

The main sources of billing and payments complaint issues were claims by consumers about:

- disputed usage charges; for example internet usage charges, unidentified charges on bills, timed call charges that ought to be incorporated into capped plan fees. This category formed 37.8% of all billing and payments complaint issues
- disputed recurring charges; for example, charges, which were not made clear at point of sale, for equipment bundled with services, or access charges for services that could not be accessed
- disputed administration fees; for example initial connection fees and termination charges. Consumers may dispute these charges because they claim they were not advised of them at the point of sale or before being billed
- the provider had incorrectly applied or not applied credits or adjustments to customers' accounts where this had been promised or was part of their terms and conditions
- customers had not received print or online bills from their provider despite asking for these several times
- their bank account or credit card was direct debited without their authority or their direct debit instructions had not been cancelled after they terminated the service.

Table 5 Billing and payments issues by category

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---------------|-------|---------------|-------|----------------|-------|
| Disputed usage charges include disputed internet usage charges, total of bill, and timed calls | 17 012 | 47.4% | 21 119 | 40.4% | 42 457 | 37.8% |
| Disputed recurring charges include disputed equipment and service charges | 4 649 | 12.9% | 8 790 | 16.8% | 17 418 | 15.5% |
| Disputed administration charges include disputed charges for initial connection and termination fees | 5 344 | 14.9% | 7 478 | 14.3% | 16 951 | 15.1% |
| Credits/adjustments incorrectly applied or not applied | 2 607 | 7.3% | 4 430 | 8.5% | 11 396 | 10.1% |
| Bills not received | 1 361 | 3.8% | 2 620 | 5.0% | 8 856 | 7.9% |
| Direct debits not activated, not authorised, or not cancelled | 2 990 | 8.3% | 3 683 | 7.0% | 5 121 | 4.6% |
| Bill details and/or format | 637 | 1.8% | 1 396 | 2.7% | 4 131 | 3.7% |
| Payments incorrectly applied or not applied | 724 | 2.0% | 1 617 | 3.1% | 3 202 | 2.8% |
| Others include delayed charges, charges arising upon the consolidation or deconsolidation of the consumer's account/services, and debts arising from a pre-paid service | 594 | 1.7% | 1 171 | 2.2% | 2 918 | 2.6% |
| Total | 35 918 | | 52 304 | | 112 450 | |

MAJOR COMPLAINT CATEGORIES

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CUSTOMER SERVICE

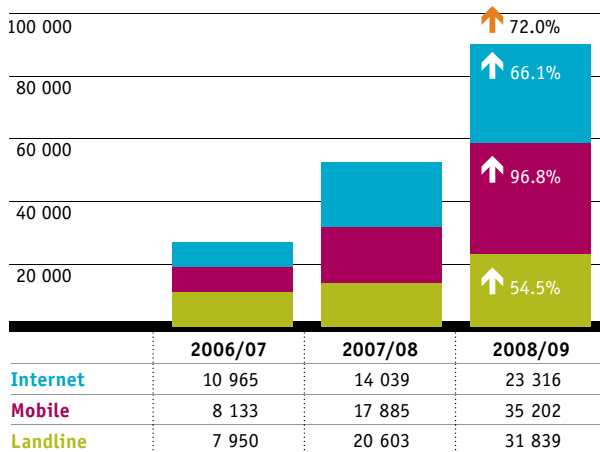


Figure 10 Customer service issues

Customer service complaint issues are mostly recorded as secondary issues to primary complaints. For example, a primary complaint may include a problem with a bill or a delay in rectifying a fault or connecting a service, and may include a secondary issue about poor customer service.

Customer service complaint issues increased by 72% during 2008/09 with the main areas of complaint raised with us by consumers being:

- service providers giving incorrect, inadequate or inconsistent advice. This has consistently remained the highest category of customer service complaint issue over the past three years
- service providers failing to action consumers' requests; for example, the cancellation of a service, updating address details or changing plans
- consumers being unable to contact their service providers or having to wait a long time before being able to speak with someone.

Table 6 Customer service issues by category

| | 2006/07 | | 2007/08 | | 2008/09 | |
|--------------------------------|---------------|-------|---------------|-------|---------------|-------|
| Incorrect or inadequate advice | 10 707 | 39.6% | 20 351 | 38.7% | 38 545 | 42.7% |
| Failure to action a request | 8 590 | 31.8% | 14 409 | 27.4% | 29 586 | 32.7% |
| Lengthy wait time | 2 294 | 8.5% | 6 962 | 13.3% | 8 342 | 9.2% |
| Discourtesy | 1 215 | 4.5% | 3 260 | 6.2% | 7 316 | 8.1% |
| Unable to contact | 4 003 | 14.8% | 7 360 | 14.0% | 6 194 | 6.9% |
| Refusal to deal with advocate | 239 | 0.9% | 185 | 0.4% | 374 | 0.4% |
| Total | 27 048 | | 52 527 | | 90 357 | |

MAJOR COMPLAINT CATEGORIES

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COMPLAINT HANDLING

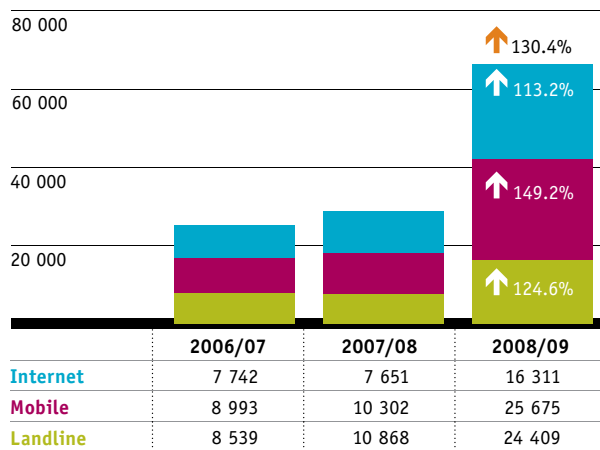


Figure 11 Complaint handling issues

As with customer service, complaint handling issues are usually secondary aspects of a complaint. For example, a complaint about disputed usage charges may also raise concerns around the service provider failing to action a refund which was promised, or failing to call the consumer after promising to do so within a specified timeframe.

Complaint handling complaint issues increased by 130%. The main areas of concern were claims by consumers about:

- providers failing to action undertakings; for example, failing to send out copies of bills despite promising to do so several times. This category formed more than half of the complaint handling complaint issues
- providers not informing the consumer of the outcome of their complaint even where the consumer attempted to follow-up with the provider
- providers refusing to escalate complaints within their own organisations even where consumers advised that they remained unhappy or dissatisfied
- providers failing to inform consumers of external avenues of redress, including the TIO, in circumstances where consumers told their providers that their complaints remained unresolved
- consumers not receiving any acknowledgement from their service providers that their written complaints had been received and would be actioned.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|--|---------------|-------|---------------|-------|---------------|-------|
| Failure to action undertakings | 3 839 | 15.2% | 7 293 | 25.3% | 34 091 | 51.3% |
| Failure to advise of outcomes | 524 | 2.1% | 1 705 | 5.9% | 8 952 | 13.5% |
| Failure to escalate | 1 315 | 5.2% | 3 242 | 11.2% | 8 791 | 13.2% |
| Failure to refer to TIO | 17 724 | 70.1% | 14 012 | 48.6% | 8 009 | 12.1% |
| Failure to acknowledge a written complaint | 1 432 | 5.7% | 1 983 | 6.9% | 4 081 | 6.1% |
| Failure to record a complaint | 412 | 1.6% | 543 | 1.9% | 2 400 | 3.6% |
| Charges for itemisation of disputed bill or for complaint handling | 28 | 0.1% | 43 | 0.1% | 71 | 0.1% |
| Total | 25 274 | | 28 821 | | 66 395 | |

Table 7 Complaint handling issues by category

MAJOR COMPLAINT CATEGORIES

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CASE STUDY:

Billing and customer service

The complaint

Mandy told us that her provider had updated its billing system but had failed to tell her that she had a new account number for her landline service. Consequently, payments she had made against her old account number had not been applied to her new account and her service was disconnected. Mandy said that she had tried to contact her telephone company many times but had to wait for long periods before she could speak to anyone and received inconsistent advice from different departments. Mandy provided bills showing that she incurred close to \$250 in mobile phone charges trying to contact her provider and resolve the complaint. Further, Mandy was charged a reconnection fee when her landline service was eventually reconnected.

TIO response

We believe that if a telephone company's customer service falls short it may be appropriate for it to refund excessive charges that a customer has incurred as a result of that poor service. In this case we also investigated whether Mandy was entitled to compensation for the company's delay in rectifying what appeared to be an administrative error.

The outcome

Mandy's provider responded by offering her an apology for the inconvenience she had experienced. It also applied a credit of \$700 to her account, which covered the payments she had made to her old account, the mobile charges she had incurred trying to resolve the complaint, the landline reconnection fee and an additional \$110 as a gesture of goodwill.

Lessons learnt

On occasion, administrative or system errors may mean that payments are not processed correctly. If a company does not resolve the error in a timely manner, one fair means of offering the customer redress might be to reimburse any fees the customer incurs.

CASE STUDY:

Temporary cabling

The complaint

Trang was concerned about a temporary telephone cable that had been strung across her property for the past two years she has lived at the premises. It had been put in place after the landline servicing the property developed a fault. The provider said that the underground lines connecting her service needed to be replaced. The temporary cable ran for several kilometres and was strung across trees, tied to fence posts and lay on the ground in some places. The cable had been there for so long that a large termite mound had grown up and around it in one place. Trang lived in a rural area and was concerned that the low height of the cable meant she could not burn off her land in preparation for the fire season. There was a risk that her kids would trip on the cable or people would get hurt while motorcycling around the property.

TIO response

We established that the temporary cable had been in place for over four years. The TIO noted that sometimes a temporary cable is needed to provide a service, particularly where the permanent repair is a large or complex job. In this case, the TIO was extremely concerned about the time the cable had been in place, and the potential hazards being caused by the way in which it had been installed, particularly in a rural area.

The outcome

Trang's provider said it had tried to replace the cable at least three times before Trang moved in, but that the real estate agent had denied it access. However, the TIO reminded the provider that legislation enabled it to access land to maintain its infrastructure without the express agreement of the owner or occupier. As a resolution to this complaint, the provider agreed to fast track the repair of Trang's service. The repair work was carried out within two weeks. Trang was happy with the outcome but was disappointed that it had taken so long for her concerns to be treated seriously.

Lessons learnt

Temporary cables are sometimes necessary to ensure that consumers have uninterrupted access to landline services, but it is not reasonable for them to be in place for extended periods. They should not cause hazards to people or property, and should comply with industry standards for the installation of telecommunications equipment.

MAJOR COMPLAINT CATEGORIES

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FAULTS

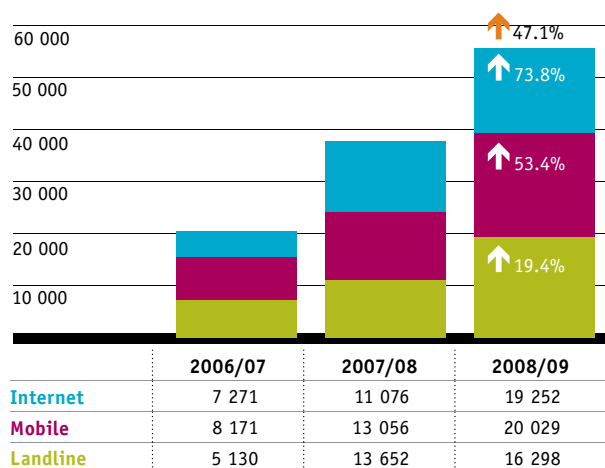


Figure 12 Faults issues

This category generally relates to complaints about delays in rectifying ongoing or intermittent faults. It also incorporates missed appointments by service technicians, the erroneous disconnection of services and changes in coverage or availability of a service. Fault issues increased by 47% during 2008/09, and represent 11.5% of total complaint issues.

Complaints in this category often require the TIO to consider the applicability of the Customer Service Guarantee (CSG).

The CSG Standard is administered by the ACMA and confers performance obligations on providers of standard telephone services. The CSG sets time limits and other standards for rectification of faults, connections and appointments. The CSG entitles customers to a set scale of compensation payments if the standards are not met. To view or download a fact sheet on the CSG, please visit www.acma.gov.au.

Common complaints by consumers about faults were:

- they experienced an equipment fault for a non-CSG service (mobile or internet). Mobile handset faults formed a significant proportion of the types of complaints in this category
- their mobile service or internet service was fully unworkable
- their standard telephone service was fully unworkable
- they experienced drop outs on their internet or mobile service
- they experienced coverage difficulties with their mobile or internet service
- the data speed for their internet or mobile service was slow.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|--|---------------|--------|---------------|--------|---------------|-------|
| Equipment faults (non-CSG service) | 6 178 | 30.0 % | 9 400 | 24.9 % | 13 579 | 24.4% |
| Fully unworkable (non-CSG service) | 3 706 | 18.0 % | 4 963 | 13.1 % | 7 614 | 13.7% |
| Fully unworkable (CSG service) | 2 679 | 13.0 % | 6 569 | 17.4 % | 6 599 | 11.9% |
| Drop outs (non-CSG service) | 1 986 | 9.7 % | 2 800 | 7.4 % | 5 137 | 9.2% |
| Coverage (non-CSG service) | 1 208 | 5.9 % | 2 595 | 6.9 % | 4 164 | 7.5% |
| Slow data speed (non-CSG service) | 1 101 | 5.4 % | 2 060 | 5.5 % | 3 676 | 6.6% |
| Disconnected in error | 565 | 2.7 % | 1 351 | 3.6 % | 3 305 | 5.9% |
| Partly unworkable (CSG service) | 795 | 3.9 % | 2 217 | 5.9 % | 2 848 | 5.1% |
| Recurring and or intermittent fault (CSG service) | 749 | 3.6 % | 1 872 | 5.0 % | 2 463 | 4.4% |
| Enhanced and or add on service (non-CSG service) | 524 | 2.5 % | 1 070 | 2.8 % | 2 343 | 4.2% |
| Missed appointment | 170 | 0.8 % | 857 | 2.3 % | 833 | 1.5% |
| Compensation (CSG service) | 190 | 0.9 % | 619 | 1.6 % | 808 | 1.5% |
| Others include complaint issues relating to problems encountered with an interim or alternative service, network outage for a non-CSG service, compensation for delays in repairing a fault on a non-CSG service, enhanced call feature for a CSG service, and where a service provider seeks to claim an exemption for mass service disruptions | 721 | 3.5 % | 1 411 | 3.7 % | 2 210 | 4.0% |
| Total | 20 572 | | 37 784 | | 55 579 | |

Table 8 Fault issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

CONTRACTS

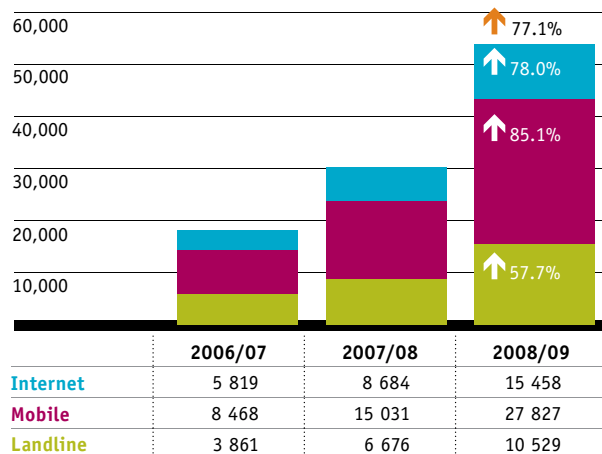


Figure 13 Contracts issues

This category involves disputes stemming from:

- terms and conditions such as pricing
- the enforcement of terms and conditions of a contract
- the variation of a contract by a service provider to the detriment of its customers.

Contracts complaint issues have increased by 77% during 2008/09.

The main issues in this category included claims by consumers that:

- they were not provided enough information or advice at the point of sale about the service or the terms and conditions for the service. This formed 45.1% of contracts issues in 2008/09
- providers sought to enforce terms of a contract unfairly or inappropriately
- they were unaware at the outset that they were on a fixed-term contract
- service providers unilaterally varied the terms of their contracts. For example, a service provider increased the prices for the service compared to what was offered at the point of sale, or the service provider introduced a change to the usage limit under a plan
- they were provided with misleading or incomplete information at the point of sale about network coverage
- there was a delay in the termination or cancellation of a service and they continued to be charged for the service
- they received incorrect advice or were not provided any advice about termination fees when they sought to terminate the service.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|--|---------------|--------|---------------|--------|---------------|--------|
| Point of sale advice — product and terms | 8 779 | 48.40% | 13 026 | 42.90% | 24 255 | 45.10% |
| Variation of terms | 1 521 | 8.40% | 2 671 | 8.80% | 3 748 | 7.00% |
| Enforcement of terms | 1 757 | 9.70% | 2 577 | 8.50% | 4 918 | 9.10% |
| Termination — delay | 1 257 | 6.90% | 2 381 | 7.80% | 4 080 | 7.60% |
| Point of sale advice — coverage | 822 | 4.50% | 2 079 | 6.80% | 3 242 | 6.00% |
| Termination advice — termination fee | 1 026 | 5.70% | 1 542 | 5.10% | 2 045 | 3.80% |
| Deny all knowledge | 133 | 0.70% | 1 403 | 4.60% | 3 976 | 7.40% |
| Sales tactics | 617 | 3.40% | 1 167 | 3.80% | 1 604 | 3.00% |
| Point of sale advice — cooling off | 375 | 2.10% | 719 | 2.40% | 925 | 1.70% |
| Point of sale advice — termination fee | 336 | 1.90% | 616 | 2.00% | 929 | 1.70% |
| Impaired decision making | 376 | 2.10% | 597 | 2.00% | 976 | 1.80% |
| Failure to provide contract | 491 | 2.70% | 581 | 1.90% | 1 330 | 2.50% |
| Others | 658 | 3.60% | 1 032 | 3.40% | 1 786 | 3.30% |
| Total | 18 148 | | 30 391 | | 53 814 | |

Table 9 Contracts issues by category

CASE STUDY:

Indigenous consumers

The complaint

Brett, a financial counsellor, contacted us on behalf of his client Sylvia, an elderly Indigenous lady who lived in a remote community. Brett said Sylvia had received a telemarketing call from a salesperson who was very persistent and assertive. It appeared that as a result Sylvia had agreed to a mobile phone contract.

Sylvia was a traditional Aboriginal elder in receipt of a disability pension and had little experience of technology. Brett said she had no need for a mobile phone, did not want one, and did not receive one. She had, however, received bills, letters of demand, and calls from a debt collector about the contract. This activity had become so distressing for Sylvia that she had paid a small amount towards the debt.

TIO response

This complaint was referred to the TIO's Indigenous liaison team, a team of experienced staff who accept direct referrals from services that assist Indigenous consumers. We asked the provider to examine this case and present its point of view.

The outcome

The provider agreed to cancel Sylvia's contract and refund the payments she had made. It also asked us to convey its apologies to Sylvia. Finally, as Sylvia had never received a handset, and it could not be accounted for, the company blocked the handset to ensure it could not be used.

Lessons learnt

Service providers must provide clear guidance on acceptable standards of behavior for any dealers or sales companies to whom they outsource sales activities particularly through channels like telemarketing.

Some consumers, for reasons such as age, health, social and educational background, and remote location, may require special assistance above and beyond normal TIO processes. We do our best to offer appropriate assistance when necessary.

CASE STUDY:

Young people and contracts

The complaint

Cynthia contacted us disputing charges for her mobile contract, which she said had been due to expire in April 2008. She said that she no longer required the service, because her employer had given her a new phone in March. She had given her phone to her 15-year-old son, Nick, to use for emergencies during the month remaining on the contract. Cynthia told us that she had paid all of the bills for her service up to April, and told the provider to cancel the service. She did not receive any more bills until November 2008 when a debt collector demanded over \$2 500.

It emerged that Nick had renewed the contract in June 2008, after the service had been temporarily disconnected for non-payment in May. Cynthia told us that her provider would not waive the \$2 500, even though Nick had renewed the contract without her knowledge or consent, and since he was a minor he was too young to enter into a contract himself.

TIO response

We obtained a copy of the voice recording between Nick and the telephone company's representative. Along with the recording, the company provided its assessment of the complaint, in which it acknowledged that the person on the recording had a young voice and that it should have been clear to its representative that it was not speaking with Cynthia. Although Nick had claimed to have been authorised by Cynthia to make changes to the mobile service, we asked the company what steps it had taken to verify that the person it was speaking to was authorised to renew the contract.

The outcome

The company resolved the complaint by waiving the termination fees and other charges on the new mobile contract. Cynthia was required to pay \$230 for her May bill, as this bill was made up of usage on the old contract when Nick was using the service with Cynthia's permission. Cynthia accepted that even though she had only given the service to Nick for emergency use, as the account holder, she was responsible for the charges her son accrued before her contract expired.

Lessons learnt

Service providers are obliged to make sure they are speaking to the account holder before they make any changes to an account. They must also ensure that the person entering into a contract with them has the legal capacity to do so. Consumers should take care when allowing others to use their services, as they may be liable for the charges incurred by the person using the service, even if they did not give permission for all of the usage.

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CREDIT MANAGEMENT

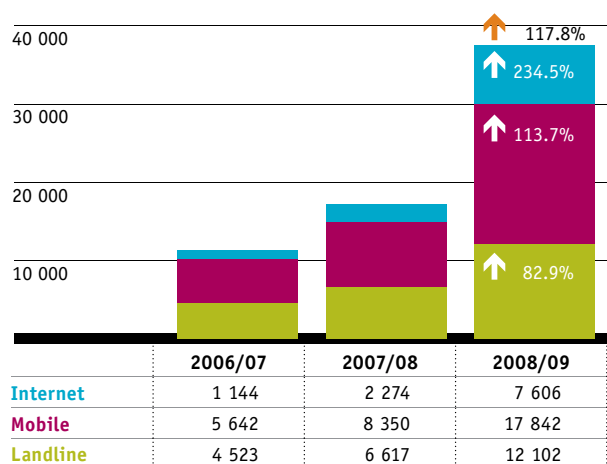


Figure 14 Credit management issues

This category refers to disputes over credit management action. This may include conduct on the part of service providers or collections agencies employed by service providers; for example, where a collections agent continued to pursue a debt even though the consumer had notified them that the debt was in dispute. Alternatively, it may include conduct whereby a service provider failed to notify the consumer before suspending or disconnecting their service for credit management reasons.

The main claims that consumers made about credit management issues included that service providers:

- failed to notify consumers before suspending or disconnecting services. This category has remained a consistent component of credit management complaint issues over the past three years
- continued, either directly or via a collections agent, to pursue consumers for outstanding debts even where such debts were in dispute
- suspended or disconnected services despite knowing that an outstanding debt was in dispute
- not having adequate mechanisms or tools to assist consumers to monitor or control their use of the services so as to minimise exposure to financial over-commitment
- listing debts with credit reporting agencies despite being aware that debts were in dispute
- listing debts with credit reporting agencies without advising or notifying consumers before doing so
- refusing to negotiate or re-negotiate payment arrangements with consumers who found themselves in positions of hardship.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|---------------|-------|---------------|-------|---------------|-------|
| Suspension disconnection notification | 2 137 | 18.9% | 3 029 | 17.6% | 6 205 | 16.5% |
| Collections agents disputed debt | 1 686 | 14.9% | 3 040 | 17.6% | 5 499 | 14.6% |
| Suspension disconnection disputed debt | 1 085 | 9.6% | 2 089 | 12.1% | 4 677 | 12.5% |
| Overcommitment adequacy of supplier controls | 571 | 5.0% | 1 315 | 7.6% | 4 513 | 12.0% |
| Credit default disputed debt | 1 513 | 13.4% | 1 876 | 10.9% | 3 293 | 8.8% |
| Credit default notification | 1 032 | 9.1% | 1 286 | 7.5% | 3 058 | 8.1% |
| Payment arrangement refusal to negotiate | 1 244 | 11.0% | 1 619 | 9.4% | 2 706 | 7.2% |
| Failure to suspend collections disputed debt | 329 | 2.9% | 439 | 2.5% | 1 798 | 4.8% |
| Overcommitment advice credit control tools | 336 | 3.0% | 495 | 2.9% | 1 551 | 4.1% |
| Overcommitment usage meter | 61 | 0.5% | 175 | 1.0% | 876 | 2.3% |
| Payment arrangement refusal to re-negotiate | 535 | 4.7% | 717 | 4.2% | 771 | 2.1% |
| Credit default failure to update | 273 | 2.4% | 334 | 1.9% | 629 | 1.7% |
| Others include complaints about a failure to record a payment arrangement, poor conduct by collections agents, refusal to provide a service or restriction of a service on the basis of credit assessment, a failure to suspend collections when there is a payment arrangement, bankruptcy or an old debt, and a failure to assess a consumer's credit | 507 | 4.5% | 827 | 4.8% | 1 974 | 5.3% |
| Total | 11 309 | | 17 241 | | 37 550 | |

Table 10 Categories of credit management issues

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

PROVISIONING

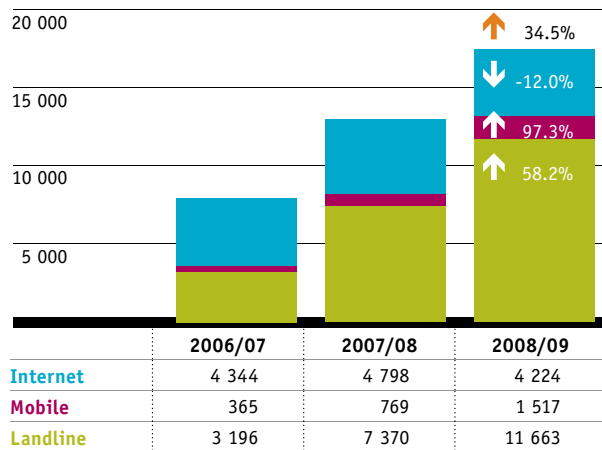


Figure 15 Provisioning issues

Provisioning complaint issues are generally about delays in connecting internet, landline or mobile services. This category also incorporates complaints about missed appointments, issues around the allocation of service numbers and the accuracy of advice about coverage or availability of a service.

Provisioning complaints increased by 34.5% in 2008/09 compared to 2007/08.

Complaint issues regarding information on availability and coverage feel by 70.1%. This was primarily due to a change that occurred in 2008/09 where the Ombudsman exercised her discretion to cease to investigate complaints about the availability of ADSL services. As the TIO cannot compel a service provider to supply an ADSL service to a specific residence, we often found that investigating these types of complaints was of no benefit to the consumer.

The main drivers of provisioning complaint issues included claims by consumers that:

- they experienced delays in the connection of an entirely new service (CSG or non-CSG service) or in the re-connection of a previously connected or in-place service (CSG or non-CSG service). Collectively, these categories formed 74.4% of all provisioning issues in 2008/09
- they requested the connection of a specific service number or were offered a specific number, but the service provider either refused or was unable to connect the agreed number
- the service provider failed to keep an agreed appointment for the connection of a CSG service and failed to notify the customer in advance.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|--------------|-------|---------------|-------|---------------|-------|
| Delay in-place service (CSG service) | 1 022 | 12.9% | 2 256 | 17.4% | 4 171 | 24.0% |
| New service delay (CSG) | 1 380 | 17.5% | 2 978 | 23.0% | 4 086 | 23.5% |
| New service delay (non-CSG service) | 2 743 | 34.7% | 2 738 | 21.2% | 3 183 | 18.3% |
| Delay in-place service (non-CSG service) | 660 | 8.3% | 905 | 7.0% | 1 507 | 8.7% |
| Number allocation | 285 | 3.6% | 642 | 5.0% | 1 151 | 6.6% |
| Missed appointment (CSG service) | 116 | 1.5% | 621 | 4.8% | 1 151 | 6.6% |
| Advice coverage/availability | 1 211 | 15.3% | 1 821 | 14.1% | 533 | 3.1% |
| Delay in-place service (Connect Outstanding) | 135 | 1.7% | 225 | 1.7% | 326 | 1.9% |
| New service pre-provisioning delay | 107 | 1.4% | 184 | 1.4% | 231 | 1.3% |
| Delay new service Interim/Alternate service | 44 | 0.5% | 124 | 0.9% | 227 | 1.3% |
| New service delay compensation | 81 | 1.0% | 134 | 1.0% | 217 | 1.2% |
| Others include complaint issues relating to missed appointments for the connection of a non-CSG service or compensation for the delay in connecting an in-place service | 121 | 1.5% | 309 | 2.4% | 621 | 3.6% |
| Total | 7 905 | | 12 937 | | 17 404 | |

Table 11 Provisioning issues by category

CASE STUDY:

Financial hardship and payment plans

The complaint

Janet contacted us about a debt of almost \$3 000 on her mobile telephone service. She was unable to pay this all at once because she was unemployed. She had seen a financial counsellor and worked out that the most she could pay was \$15 a fortnight. Her provider had rejected this offer because the debt would take several years to pay off. It said Janet had made no payments towards the debt for seven months and it had lodged a default against her name with a credit reporting bureau.

TIO response

We noted that it appeared as though the provider had lodged a credit default when Janet and her financial counsellor were in the process of attempting to make a payment arrangement. The provider had also added a significant debt recovery fee to the charges. We were concerned that this had been done despite Janet telling the company of her financial hardship.

We asked the provider to consider whether it had complied with the industry code on credit management and our position statements on hardship and payment difficulties and unlimited credit/financial over commitment. The industry code and position statements outline the need for telephone companies to have a financial hardship policy and assist consumers who are experiencing financial hardship.

The outcome

The telephone company agreed to accept Janet's payment arrangement of \$15 per fortnight conditional on this being revisited every six months to determine whether her financial circumstances had changed. The company also agreed to remove the default listing and withdraw the debt collection fee.

We formed the view that the resolution represented a fair and reasonable outcome to Janet's complaint. Janet was happy with this result.

Lessons learnt

Telephone companies are obliged to have a financial hardship policy and to offer assistance to consumers experiencing financial hardship.

Consumers are expected to take steps to reduce their exposure to high levels of debt by minimising their usage and getting a bar placed on their service. They should also continue to make regular payments of what they can afford and keep their telephone company informed about their circumstances.

CASE STUDY:

Elderly consumers and provisioning delay

The complaint

Jodie contacted the TIO about a delay in the connection of her grandmother's telephone service. Her grandmother suffered from dementia and had moved into a nursing facility and needed a telephone connected to her unit. Jodie found dealing with the provider difficult. She had been told the service would be connected many times. She was told she could not speak with a manager and, when she said she was not happy with the provider's response, she was not told about her right to complain to the TIO.

TIO response

The TIO was concerned about the lengthy delay in providing an elderly lady with a medical condition with a telephone service, particularly at a time when she may have required additional social contact with relatives because of her move. We asked the provider whether it had complied with the industry code which sets standards for how it handles complaints. We also asked the provider to examine its compliance with the Customer Service Guarantee (CSG) Standard. This compensates customers if their service is not connected or repaired within a certain time.

The outcome

Our investigation revealed that the provider had connected Jodie's grandmother's telephone at the wrong unit. Even when Jodie brought this to the provider's attention, it still maintained that it had connected her grandmother's phone. As a result, Jodie's grandmother received \$3 800 in CSG compensation and the company also wrote a letter of apology to Jodie and her grandmother.

Lessons learnt

It is important that telephone companies listen to their customers and carefully examine complaints, particularly where a vulnerable consumer is involved. Technical systems are not infallible and sometimes an investigation is needed to ascertain where there is an error in the system.

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

CUSTOMER TRANSFER

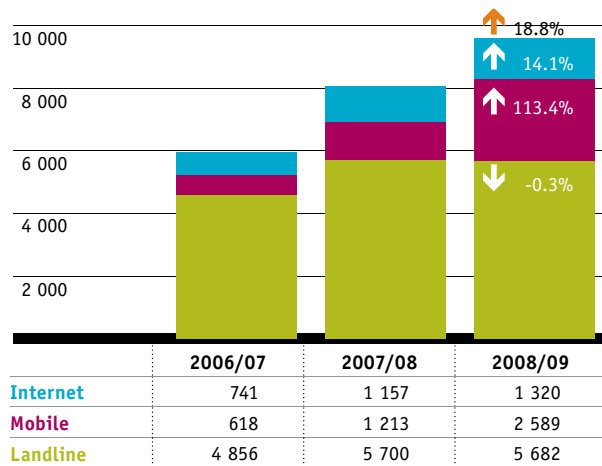


Figure 16 Customer transfer issues

This category relates to difficulties encountered by consumers during the transfer of services between providers; for example, a transfer delay. Customer transfer issues also encompass claims by consumers that they had not authorised a transfer or that someone else had arranged it. In 2008/09 customer transfer issues increased by 18.8% compared to 2007/08.

The main sources of complaint around customer transfer issues were customers claiming that they experienced:

- delays in the transfer of services. This category formed 42.7% of customer transfer issues in 2008/09

- service providers transferring services without the customer's informed consent. In complaints of this nature, consumers commonly claimed that:
 - » they were contacted by a telemarketer and agreed over the phone to transfer their service subject to receiving more information
 - » the information provided by the telemarketer about the service was very different to the service that the provider eventually supplied
 - » they were provided incomplete or inaccurate information at the point of sale about the product, terms and conditions of the service
 - » the person who requested the transfer was not the authorised account holder. For example, the provider proceeded to transfer the service after obtaining the consent of the consumer's spouse or child or employee
 - » their service was transferred to the service provider even though they cancelled the transfer during the cooling-off period
 - » the service was transferred in error due to a service provider inputting incorrect details or the consumer not providing the supplier with correct service details
- service providers failing to reverse the transfer of a service or delaying the reversal of a transfer in circumstances where a consumer had shown that the transfer had not been properly authorised.

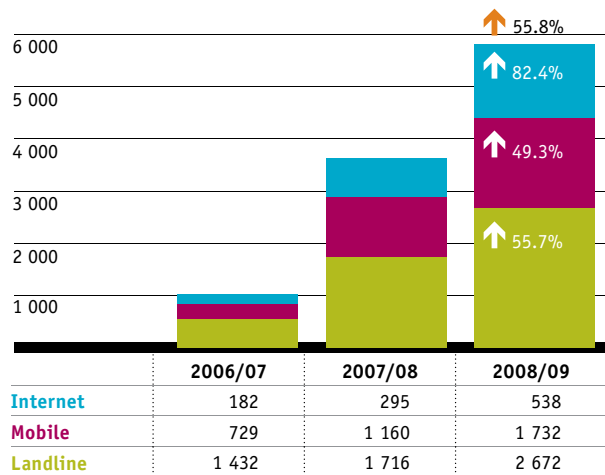
| | 2006/07 | | 2007/08 | | 2008/09 | |
|--|--------------|--------|--------------|--------|--------------|-------|
| Delay | 1 568 | 25.2 % | 3 235 | 40.1 % | 4 097 | 42.7% |
| Unauthorised — no informed consent | 2 195 | 35.3 % | 2 242 | 27.8 % | 2 343 | 24.4% |
| Point of sale advice –product and terms | 265 | 4.3 % | 427 | 5.3 % | 632 | 6.6% |
| Unauthorised — cancelled in cooling off period | 352 | 5.7 % | 468 | 5.8 % | 612 | 6.4% |
| Unauthorised — not authorised customer | 700 | 11.3 % | 705 | 8.7 % | 602 | 6.3% |
| Reversal — failure to reverse | 203 | 3.3 % | 215 | 2.7 % | 332 | 3.5% |
| Unauthorised — administrative error | 255 | 4.1 % | 273 | 3.4 % | 295 | 3.1% |
| Reversal — delay in reversing | 84 | 1.4 % | 175 | 2.2 % | 275 | 2.9% |
| Sales tactics | 256 | 4.1 % | 157 | 1.9 % | 142 | 1.5% |
| Others include complaints relating to the transfer of services where there was incorrect or insufficient information supplied at the point of sale about the name (identity) of the supplier or about the cooling off period or where the consumers claim that they were not made aware of the existence or specific amount of a fee for terminating the service | 337 | 5.4 % | 173 | 2.1 % | 261 | 2.7% |
| Total | 6 215 | | 8 070 | | 9 591 | |

Table 12 Customer transfer issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

PRIVACY



The TIO can investigate complaints relating to apparent breaches of the National Privacy Principles by telephone or internet service providers. These include complaints relating to inappropriate collection or disclosure of information. The TIO can also investigate and, where necessary, determine complaints requiring the payment of compensation for costs incurred as a result of serious breaches of privacy, for example, relocation expenses.

Figure 17 Privacy issues

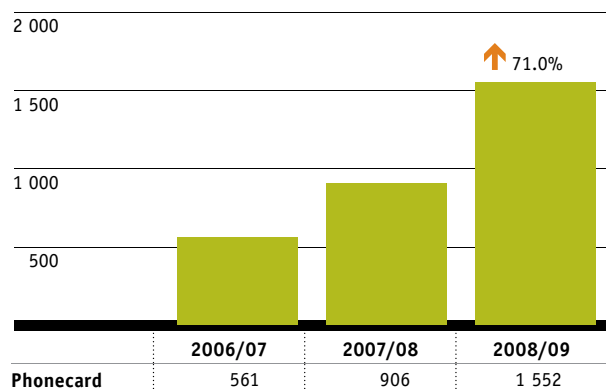
| | 2006/07 | | 2007/08 | | 2008/09 | |
|--|--------------|-------|--------------|-------|--------------|-------|
| Customer personal information, inaccurate information or unauthorised disclosure | 951 | 40.6% | 1 443 | 45.5% | 3 390 | 68.6% |
| Unwelcome calls (menacing, offensive or harassing calls or communications) | 468 | 20.0% | 837 | 26.4% | 924 | 18.7% |
| Telemarketing provider continues telemarketing after being asked to stop | 855 | 36.5% | 813 | 25.6% | 520 | 10.5% |
| Life threatening calls or communications | 26 | 1.1% | 35 | 1.1% | 54 | 1.1% |
| Spam inadequate advice about preventing spam | 21 | 0.9% | 29 | 0.9% | 32 | 0.6% |
| Spam from internet or telecommunications service provider | 22 | 0.9% | 14 | 0.4% | 22 | 0.4% |
| Total | 2 343 | | 3 171 | | 4 942 | |

Table 13 Privacy complaint issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

PHONECARDS



All phonecard complaints are handled under the landline service category. The number of phonecard complaint issues increased by 71.3% in 2008/09 compared to 2007/08. Overall, phonecard complaint issues represented 0.3% of total complaint issues.

Figure 18 Phonecard issues

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|------------|-------|------------|-------|--------------|-------|
| Billing disputes | 259 | 46.2% | 377 | 41.6% | 624 | 40.2% |
| Complaint handling | 65 | 11.6% | 119 | 13.1% | 292 | 18.8% |
| Customer service | 98 | 17.5% | 131 | 14.5% | 196 | 12.6% |
| Faulty phonecards | 78 | 13.9% | 159 | 17.5% | 189 | 12.2% |
| Point of sale <i>includes complaints about pricing or other advertised terms being inaccurate, incomplete or out of date.</i> | 61 | 10.9% | 120 | 13.2% | 251 | 16.2% |
| Total | 561 | | 906 | | 1 552 | |

Table 14 Phonecard issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

DIRECTORIES

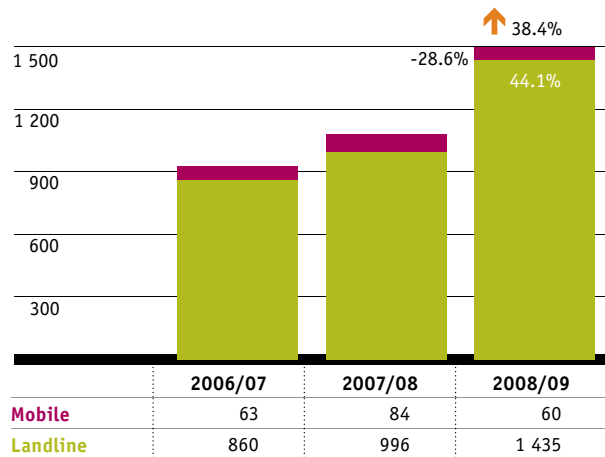


Figure 19 Directories issues

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.

The TIO *can* investigate complaints about printed and online *White Pages*.

In 2008/09, directories complaint issues increased by 38.4% compared to 2007/08. However, directories represented just 0.3% of all TIO complaint issues.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---------------------------------------|------------|-------|--------------|-------|--------------|-------|
| <i>White Pages</i> disputed charges | 327 | 35.4% | 398 | 36.9% | 569 | 38.1% |
| <i>White Pages</i> error | 305 | 33.0% | 338 | 31.3% | 449 | 30.0% |
| <i>Yellow Pages</i> | 148 | 16.0% | 200 | 18.5% | 246 | 16.5% |
| <i>White Pages</i> omission | 103 | 11.2% | 92 | 8.5% | 170 | 11.4% |
| Directory assistance incorrect number | 13 | 1.4% | 26 | 2.4% | 30 | 2.0% |
| Directory assistance accessibility | 20 | 2.2% | 15 | 1.4% | 17 | 1.1% |
| Directory assistance omission | 7 | 0.8% | 11 | 1.0% | 14 | 0.9% |
| Total | 923 | | 1 080 | | 1 495 | |

Table 15 Directory issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

LAND ACCESS

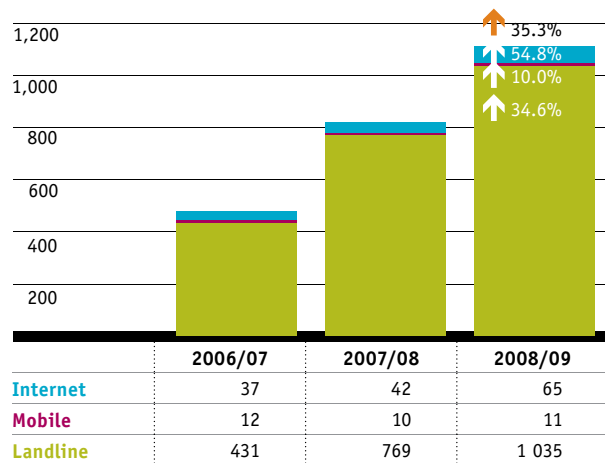


Figure 20 Land access issues

Carriers (which own or control telecommunications networks or infrastructure) have broad powers under the *Telecommunications Act 1997 (Cth)* to access land for inspection, installation or maintenance of facilities. Carriers are entitled to install 'low impact' facilities without the consent of the owner or occupier of land, subject to limited requirements.

The Act places obligations on carriers exercising their right to access land and the *Telecommunications Code of Practice 1997 (Cth)* requires 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 owner 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.

The TIO can investigate land access objections received only from the owner or 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, objections to low-impact facilities are investigated at Level 4. In 2008/09, land access complaint issues increased by 35.3% compared to 2007/08.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|------------|-------|------------|-------|--------------|-------|
| Damage by provider to property during the installation of low-impact facility | 233 | 48.5% | 448 | 54.6% | 572 | 51.5% |
| Subscriber connection access method or restrictions relating to installation | 39 | 8.1% | 119 | 14.5% | 196 | 17.6% |
| Damage caused by complainant to provider's cable or facility | 97 | 20.2% | 128 | 15.6% | 176 | 15.8% |
| Failure to give notice before accessing land for the installation and or maintenance of low impact facility | 39 | 8.1% | 57 | 6.9% | 81 | 7.3% |
| Objection to a provider's intention to enter land to install and or maintain low-impact facilities | 64 | 13.3% | 61 | 7.4% | 71 | 6.4% |
| Premature objection prior to completion of consultation procedure provided by the code | 8 | 1.7% | 8 | 1.0% | 15 | 1.4% |
| Total | 480 | | 821 | | 1 111 | |

Table 16 Land access issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

DISABILITY

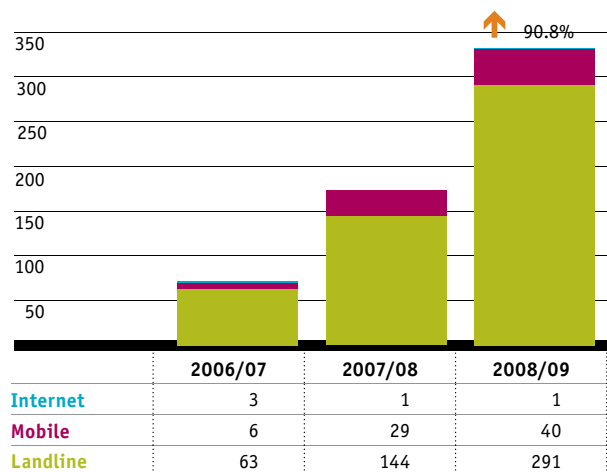


Figure 21 Disability issues

The TIO receives complaints from or on behalf of disadvantaged and vulnerable consumers. Consumer disadvantage and vulnerability can be a factor in various types of complaints.

Under the disability category, the TIO records issues about the adequacy or the billing of telecommunications equipment to accommodate a person's disability and also about the Priority Assistance service.

Priority Assistance is designed to help people with diagnosed life-threatening medical conditions who depend on a reliable, home telephone service to be able to call for assistance when needed. This means that priority assistance customers are entitled to faster connection and fault repair of their telephone service and a greater level of reliability.

In 2008/09, disability complaint issues increased by 90.8%. Overall, disability complaint issues represented 0.1% of all TIO complaint issues.

| | 2006/07 | | 2007/08 | | 2008/09 | |
|---|-----------|-------|------------|-------|------------|-------|
| Priority assistance connection delay | 11 | 15.3% | 32 | 18.4% | 116 | 34.9% |
| Priority assistance fault rectification delay | 26 | 36.1% | 25 | 14.4% | 106 | 31.9% |
| Disability Equipment inaccurate information, availability or billing | 23 | 31.9% | 77 | 44.3% | 58 | 17.5% |
| Priority assistance notification of availability of Priority Assistance service | 8 | 11.1% | 20 | 11.5% | 34 | 10.2% |
| Priority assistance rejection of application for Priority Assistance status | 4 | 5.6% | 20 | 11.5% | 18 | 5.4% |
| Total | 72 | | 174 | | 332 | |

Table 17 Disability issues by category

MAJOR COMPLAINT CATEGORIES

INDUSTRY CODES | MOBILE PREMIUM SERVICES | SYSTEMIC ISSUES | MEMBER COMPLAINT STATISTICS

PAYPHONES

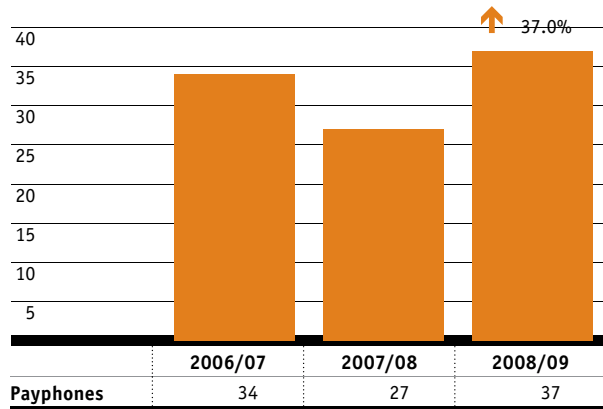


Figure 22 Payphone issues (landline only)

The TIO can take complaints only about payphone faults and charging. It cannot investigate complaints about the location or removal of payphones. Where customers have complained to Telstra about the provision of a payphone and remain dissatisfied, they may direct their complaint to the ACMA. All payphone complaint issues are recorded under the landline category.

| | 2006/07 | 2007/08 | 2008/09 |
|---|---------|---------|---------|
| Payphones faulty service or incorrect charges | 34 | 27 | 37 |

Table 18 Payphone issues by category.

CASE STUDY:

Contracts and intellectual disability

The complaint

Marjorie contacted us about a disputed mobile contract entered into by her husband, Bruce. Bruce had a medical condition which meant that his ability to understand the implications of entering into a mobile contract was limited. Marjorie said Bruce had been in the telephone company shop for several hours, where sales staff pressured him to enter into the contract, even though she had tried to persuade him to leave. She said the staff had asked her to sign the contract as well, but she had refused.

TIO response

We asked the provider to explain its point of view, including what it believed had happened at the point of sale. The provider said it did not understand why Marjorie had not intervened more assertively, as it did not think its sales staff would have persisted had they known of Bruce's condition.

The outcome

The provider agreed to cancel the contract without an early termination fee and to write off the outstanding debt. It said Bruce could return his handset or pay the remaining instalments for it. However, the handset had been destroyed in a car accident. We relayed this to the provider and established that in the circumstances, the company would not insist on the return of (or payment for) the handset.

Marjorie also asked whether she could receive a refund for some charges already paid. After further consideration it was agreed that the provider was entitled to keep these payments because there was no evidence it knew of Bruce's illness until it was approached by Marjorie through the TIO.

Lessons learnt

Providers should train their sales staff to be alert to anything that may suggest the customer does not understand what is happening and to ask appropriate questions of the customer, clarify information, or seek assistance from a supervisor if they have any doubt about whether the customer understood the nature and effect of any contract they entered into. Providers may be required to release a customer – such as where the customer has a special vulnerability or disadvantage – if the provider knew or ought to have known the customer did not understand what the contract was about, or unreasonably pressured the customer to enter the contract.

Family members, guardians and carers who assist people with intellectual disabilities or psychiatric illnesses should act quickly when they identify that something untoward may be happening. The sooner action is taken, the easier it will be to correct the situation.