



Telecommunications
Industry
Ombudsman

Keeping connected: Experiences of telco consumers in financial hardship

Systemic insights report

August 2025

Contents

Introduction from the Ombudsman	3
What do we mean by “financial hardship”?	5
Key findings	6
Our financial hardship data	8
Key Finding 1: Telcos have a responsibility to help their consumers stay connected to an essential service and manage their bills	10
Key Finding 2: Telcos need to do more to comply with their financial hardship obligations	12
Key Finding 3: Telcos are contributing to financial hardship	14
Contact us	17

EMBARGOED UNTIL 12.01AM THURSDAY 7 AUGUST 2025



Introduction from the Ombudsman

What does it mean when we say telecommunications are an “essential service”?

An essential service is more than a legal term. Telecommunications are essential because they are vital to participation in everyday life. Without phone or internet services, we cannot study, pay our bills, access government and health services, maintain vital social connections, or keep safe in the event of emergencies. For consumers having trouble paying their bills, it is particularly vital for them to stay connected to their telco service to help manage the challenges they are facing.

The Telecommunications Industry Ombudsman (**TIO**) monitors complaints about financial hardship, keeping an eye on trends that might indicate wider problems in the industry. Earlier this year, we observed that complaints to our office involving financial hardship significantly increased by 73.4 percent for the period between January and March 2025, compared to the same period the previous year.¹

This was after we saw financial hardship complaints drop in 2020, and after the Australian Communications and Media Authority (**ACMA**) introduced new rules for telecommunications providers (**telcos**) in March 2024 to better support consumers needing payment assistance.

We looked closer at the drivers behind complaints by reviewing over 900 complaints received between 1 April 2024 and 30 March 2025 and investigating systemic issues with several telcos.

We found patterns of consumer detriment due to poor or inflexible responses by telcos to their requests for payment assistance. We also saw examples of telcos inadvertently creating or exacerbating financial hardship through direct debit errors and unexpectedly high bills.

Importantly, consumers told us about the stress they felt when seeking help. Some customer service staff made them feel belittled or guilty for requesting help. Some consumers also told us they chose to pay for their telco services over other essential items such as rent or food.

¹ Previously reported as 71.9% in our media release Telecommunications Industry Ombudsman, [“Q3 Data Reveals Upward Trend in Financial Hardship Issues and Rising Small Business Complaints”](#), 15 May 2025.

Addressing financial hardship is not easy and there are very real challenges for the telco sector. Through our systemics work, we saw some telcos take on this challenge. In 2024 and 2025, these telcos made improvements to their payment assistance policies, communication channels, and processes and systems to better support their customers.

We also heard from providers about some of the difficulties they faced when attempting to address hardship, including growing numbers of consumer requests for assistance and challenges in engaging consumers with the process.

Financial hardship can happen to anyone at any time. Industry sectors providing essential services such as telecommunications must do everything possible to support consumers to manage their bills so they can continue to access these services. In the telco sector, disconnection or restriction should always be done as a last resort. Consumers should not feel bad for asking for help, especially when the rules say they are entitled to that help.

I am pleased the telco sector is acting to address some of the issues in this report. The TIO chairs a Telco Accessibility Taskforce, bringing together key representatives from consumer or community groups and representatives from the telecommunications industry to understand and address consumer issues.² Earlier this year, Australian Telecommunications Alliance³ established the Enhanced Care Dialogue. This is a new group for telcos to share experiences and learn from one another on how to deliver the best outcomes for vulnerable consumers.⁴

Compliance with new hardship obligations also continues to be a priority of the ACMA, which will soon publish guidance to assist industry in supporting their consumers. However, the insights and stories in this report show there is more that must be done to help consumers who find themselves in tough financial situations.

I hope this report's insights and consumer stories help the telco sector, regulators, and government better understand the experiences of consumers facing financial hardship.

Cynthia Gebert
Telecommunications Industry
Ombudsman

² Telecommunications Industry Ombudsman, "[Telco Accessibility Task Force](#)", accessed 23 July 2025.

³ Australian Telecommunications Alliance is the peak body of the Australian telecommunications industry.

⁴ Australian Telecommunications Alliance, "[Telcos Band Together to Improve Customer Outcomes in First Enhanced Care Dialogue Meeting](#)", 13 March 2025.

What do we mean by “financial hardship”?



What is financial hardship?

The *Telecommunications (Financial Hardship) Industry Standard 2024 (the Standard)* defines financial hardship as a situation where a consumer is unable to discharge their financial obligations owed under their contract or otherwise discharge their financial obligations, due to circumstances such as illness, unemployment, unexpected events, or other reasonable causes.

For this report, we refer to “financial hardship” to align with the language of the Standard. This is consistent with the way the TIO currently categorises these complaints and how that term is understood by government, regulators, and the telco sector.

However, “financial hardship” can have different meanings for consumers and may create barriers to consumers seeking help. We support phasing out the term “financial hardship” and replacing it with more inclusive and plain English language.



What are the new financial hardship rules?

The Standard commenced on 29 March 2024. It introduced clearer and stronger enforceable rules around how telcos must identify, engage with, and respond to consumers experiencing hardship.

These new rules require telcos to take a range of actions, including to update and promote their policies around payment assistance, to make a minimum of six different options for assistance available to consumers (including options to extend payment and tailored payment plans), and to only disconnect consumers as a measure of last resort.

Key findings

How we developed our insights and findings

We reviewed a sample of over 900 financial hardship complaints received by the TIO between 1 April 2024 and 30 March 2025. Our review examined the initial information provided by consumers who contacted our office. These findings, along with input from our systemic investigations and members, informed this report.

Finding 1:

Telcos have a responsibility to help their customers stay connected to an essential service and manage their bills

Telco services are essential to everyday life, and this means telcos have a social responsibility to help their customers who are experiencing financial difficulties to manage their bills and stay connected.

We heard from consumers about the difficulties they experienced when trying to get help from their telco.

The telco sector can do more to embed a culture within their organisations where consumers feel comfortable asking their telco for support and this support is easily accessible. This approach should not be limited to specialist care teams but extended to all staff who interact with consumers.

Recommendation for Finding 1

Telcos must understand, recognise and respond to financial hardship, and treat consumers seeking help with empathy and respect.

Finding 2:

Telcos need to do more to comply with their financial hardship obligations

Consumers contacted us about payment plans that were not suitable for their circumstances, setting them up for financial stress and sometimes failure. We also saw examples of simple requests for help (like short payment extensions) or requests to vary payment plans due to changed circumstances, being denied.

Concerningly, some consumers received disconnection warnings or were disconnected while seeking assistance or while payment arrangements were in place.

Recommendation for Finding 2

Telcos need to review their practices and processes to ensure that they are complying with their obligations to help consumers in financial hardship.

Finding 3:

Telcos are contributing to financial hardship

Sometimes the actions or lack of actions by a telco can trigger a consumer's financial hardship or worsen their financial situation. We found examples of telco errors contributing to financial hardship, such as direct debit errors, payments being taken out on the wrong date, or unexpected high charges. Some consumers proactively sought help for upcoming bills but were told to wait until they missed a payment before they could get help.

Telcos should review their policies and practices to minimise these errors. Where a telco's actions contribute to financial hardship, they must act to remedy the situation as soon as possible.

Increases in prices can have a real impact on consumers experiencing financial difficulties. Telcos should ensure consumers in hardship are on the most affordable plans available and provide support when bill payments become challenging.

Recommendation for Finding 3

Telcos should proactively identify and address the ways their actions may contribute to consumer financial hardship.

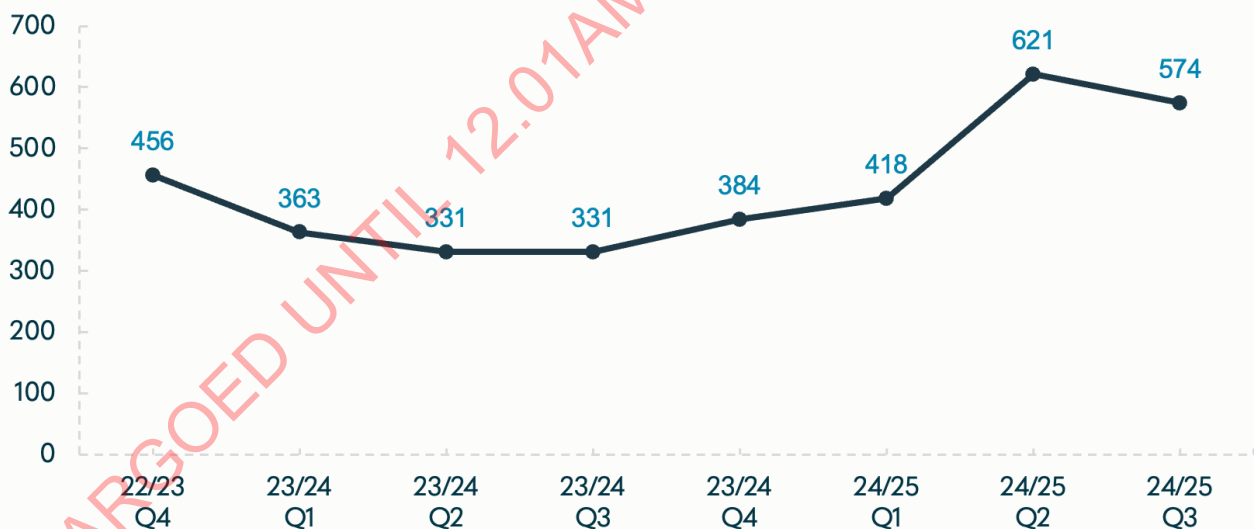
Our financial hardship data

Financial hardship complaints increased in 2025

Between 1 April 2024 and 31 March 2025, our office received 1,997 complaints about financial hardship.¹ We believe these complaints reflect only a very small proportion of the total number of telco consumers experiencing hardship. Research by the Consumer Policy Research Centre² has shown that many people do not raise complaints with their telco or later with the TIO. In our 2021 and 2023 systemic reports,³ we observed a sharp reduction in complaints about financial hardship during the early stages of the COVID-19 pandemic, followed by a period of relatively stable complaint numbers that were increasing as a proportion of our overall complaints.

While complaints about financial hardship dropped to an historic low in financial year 2024,⁴ we observed a significant increase in these complaint numbers in financial year 2025, reaching some of their highest numbers since the beginning of the pandemic. Our complaint numbers about financial hardship increased by 87.6 percent in quarter two of financial year 2025 and 73.4 percent in quarter three of financial year 2025 when compared to the same period the previous year.

**TIO complaints involving financial hardship
April 2023 to March 2025**



¹ The data presented in this report reflects information available as of 21 July 2025 and is accurate up to that date. Results may differ slightly from previous reports as ongoing efforts to address complaints may lead to updates or revisions.

² Prepared by Consumer Policy Research Centre for the Telecommunications Industry Ombudsman, [Barriers to effective dispute resolution in the telecommunications industry](#), July 2024.

³ Telecommunications Industry Ombudsman, [Responding to consumers in financial hardship – Systemic investigation report](#), September 2021; Telecommunications Industry Ombudsman, [Thematic review: Our financial hardship complaints 2021-2023](#), April 2023

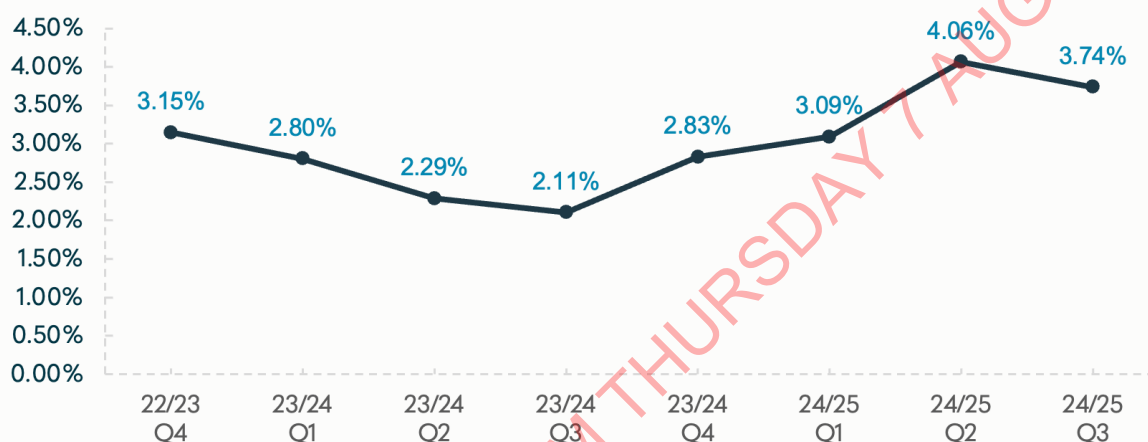
⁴ Based on data tracking back to financial year 2019.

Financial hardship complaints increased in proportion to overall complaints

Complaints about financial hardship also increased as a proportion of our overall complaint numbers. As of quarter three financial year 2025, financial hardship complaints reached 3.7 percent of our total complaints for that quarter.

In our conversations with the industry, telcos have explained this complaint increase in a number of different ways, including that consumers are feeling more cost-of-living pressures in 2024-2025, or that more consumers are eligible for assistance following the introduction of the Standard.

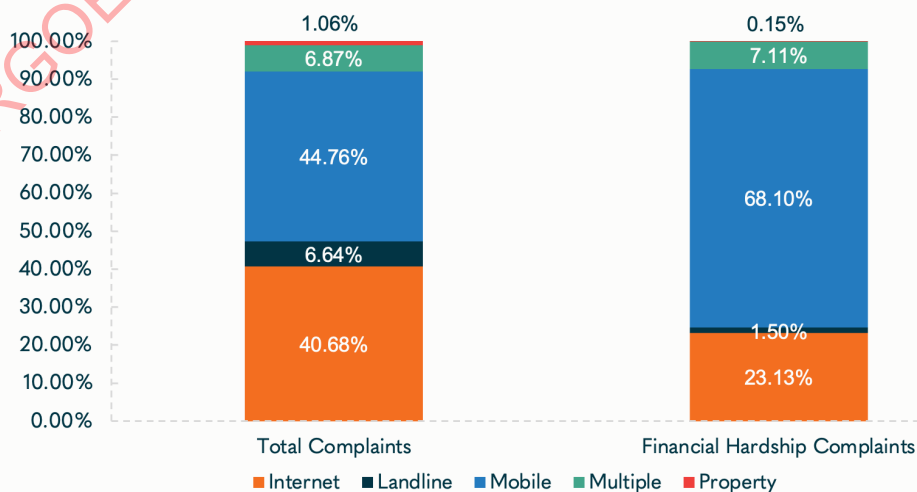
**Proportion of TIO complaints involving financial hardship
April 2023 to March 2025**



Financial hardship complaints are predominantly about mobile services

From April 2024 to March 2025, over two-thirds of TIO complaints about financial hardship related to mobile services. Mobile services were also disproportionately represented in financial hardship complaints when compared to their overall share of TIO complaints.

**Comparison by service type of financial hardship complaints
and all complaints - April 2024 to March 2025**



Key Finding 1: Telcos have a responsibility to help their customers stay connected to an essential service and manage their bills

Anyone can experience financial difficulties

Research shows 76 percent of Australians experience some form of financial or non-financial personal difficulty.¹ Three in five Australians experienced some form of financial difficulty, with 41 percent experiencing high or chronic financial difficulty (including longer-term or ongoing financial difficulties across multiple expense areas), and 21 percent experiencing moderate or mild financial difficulties (including shorter-term or occasional financial difficulties across multiple expense areas). Forty-three percent of people also experience both financial and non-financial difficulties, such as a major illness, mental health challenge, or death of a family member.

We heard from telcos that more of their customers are seeking financial hardship assistance. One telco noted that cost-of-living pressures have seen people ask for financial hardship assistance for the first time.

Telco is an essential service

For many consumers, choosing a mobile or internet plan isn't a matter of luxury or lifestyle, but rather a critical way of remaining connected and participating in society.

Research² shows nearly nine in ten consumers (89 percent) say their home internet connection is vital and they require either constant or nearly constant access. More than two thirds of consumers (76 percent) say

that mobile internet access is a crucial daily requirement.

A consumer's access to essential services should remain independent of their ability to pay for those services.

In our review of complaints from consumers experiencing financial hardship, consumers told us they need access to a telco service because:

- they work from home, or need a connection to fulfil the requirements for government support payments
- they need to contact, or be contactable by, their children or elderly parents
- they care for sick relatives or a family member with a disability, and need reliable access to emergency services
- they are experiencing domestic and family violence
- they live in an area prone to natural disasters.

With many businesses and government agencies increasingly using mobile services for security purposes, it is critical consumers have a mobile service so they can complete multi-factor authentication.

Consumers find it hard to initiate financial hardship conversations with their telco

Telcos should not assume that consumers know they can ask for hardship assistance or that they know how to navigate the process.

¹ Prepared by Consumer Policy Research Centre for the Telecommunications Industry Ombudsman, [Barriers to effective dispute resolution in the telecommunications industry](#), July 2024.

² Australian Communications Consumer Action Network, [Consumer Sentiment Tracker – Wave 1](#), July 2025.

Many consumers found it hard to initiate a conversation with their telco about financial hardship, and some consumers felt their telco was unsympathetic and made them feel they were to blame for their situation.

If consumers feel they are being judged when reaching out for help, they may not do so. Consumers and telcos miss out on the opportunity to prevent or address a debt earlier, to the detriment of both parties.

Even when a consumer is ready to talk to their telco about their financial difficulties, customers of some telcos said they faced challenges when trying to speak with the right teams. This included examples where:

- consumers were transferred between different teams for hours before getting assistance, repeating their story each time
- consumers were on hold for hours or the call disconnected before they could speak to anyone
- the consumer was promised a callback from the telco that never happened or did not happen for several days.

These challenges occurred despite new obligations on telcos to make hardship support more accessible.

Case Study: Systemic Investigation

In late 2024, we investigated reports that consumers of ParrotTel were unable to receive appropriate or timely assistance for their financial hardship. Many consumers said they had difficulty contacting the hardship team, while others described difficulties getting payment plans in place or keeping their services connected while discussing hardship.

During our investigation, ParrotTel told us it had experienced a significant increase in demand for payment assistance, which placed unexpected pressure on its hardship team. This led to errors and delays.

In response to these difficulties and our investigation, ParrotTel improved its resourcing for its hardship team, optimised its call centres and call back processes, and granted its frontline teams more powers to be flexible around payment extensions. This led to a significant decrease in hardship complaints for ParrotTel.

Names of all parties have been changed.

Key Finding 2: Telcos need to do more to comply with their financial hardship obligations

Telcos sometimes refuse payment plans or extensions

Our review of financial hardship complaints revealed some telcos may be failing to meet the minimum requirements of the Standard when offering consumers options for hardship assistance.

The most common issues consumers complained about were that their telco refused their request for a payment extension, including requests for a short-term extension, or refused their request for a payment plan.

Consumers also reported that their telco:

- asked them to provide extensive reasons or documentation (including medical records) to prove they needed help
- charged them late payment fees even though they had been notified of financial hardship or granted a payment extension
- referred their debt to a debt collection agency
- listed a default on their credit file
- refused to give additional hardship assistance if it had been offered before.

If a payment extension or plan is denied, the consumer's plan may be cancelled, making all outstanding charges immediately due, which the consumer cannot pay in one lump sum.

Case study: George

George had spent his limited savings on medical fees for a family member, which left him a few months behind on his telco bill. George asked his telco for an extension of five days as he believed his next pay cycle would cover the amounts he owed, but his telco refused this extension request.

Names of all parties have been changed.

Telcos offered unsuitable payment extensions or plans

Consumers contacted us because the payment extensions or plans they were offered were not suitable for their circumstances, setting them up for failure and/or placing them in additional financial stress.

Consumers complained about payment arrangements that:

- required repayment amounts that were more than the consumer could afford (for example, the repayment rate was too frequent, too expensive, or over a term that was too short)
- only accounted for the consumer's outstanding bill and not their ongoing charges
- would not leave the consumer with enough money to pay for other bills and necessities.

In some complaints, telcos refused to reassess the consumer's payment arrangement despite a change in their circumstances (for example, job loss or ill health).

Telcos did not comply with their own hardship arrangements

We received complaints from consumers who said their telco:

- debited money from their bank account before an agreed date
- did not waive charges as promised
- charged a different price than agreed
- withdrew a payment arrangement for no apparent reason
- asked them to make a full payment (or debited the full amount) despite a payment extension or plan being in place.

Consumers are being disconnected while on hardship assistance

Under the Standard, service disconnections are only to be used as a last resort.

However, some consumers said their telco still restricted, suspended, or disconnected their service even though they had notified their telco they were experiencing financial hardship. Some providers also maintained service restrictions until outstanding charges were paid in full, even if the consumer was on an active payment plan.

Regulator action: ACMA investigations into telco compliance with financial hardship obligations

On 23 July 2025, the ACMA announced¹ that it issued formal warnings to four telcos following investigations into their compliance with the Standard. These telcos did not adequately inform consumers about their assistance options or how to contact their telco for help. The ACMA considers that telcos can do more and will soon publish guidance on how telcos can better support consumers and clarify its expectations regarding compliance.

¹ Australian Communications and Media Authority, "[Four Telcos Warned in ACMA Crackdown on Financial Hardship Rules](#)," 23 July 2025.

Case study: Jeremy

Jeremy had been unemployed for several months, and BrolgaNet suspended his services. While he couldn't use his services, he continued to accrue new charges that he couldn't afford.

Jeremy asked BrolgaNet for a payment arrangement to pay half the regular amount for a time, and have his services reconnected. BrolgaNet refused but also would not cancel the service entirely.

Names of all parties have been changed.

Key Finding 3: Telcos are contributing to financial hardship

Consumers facing financial pressure can be forced to make difficult decisions about how to balance their bills. While juggling other basic living expenses like food, medication, rent, or petrol, these consumers may be one unexpected telco bill or direct debit away from falling into hardship or having their existing hardship circumstances worsen.

Telcos must remain vigilant to the ways their practices can cause or exacerbate financial hardship.

Consumers unable to meet rising costs

Consumers struggling to pay for their phone or internet due to the rising cost of telco and other services was a prominent theme that arose in our review. In some cases, an unexpected one-off charge or an inflexible change to their billing date would cause them to fall behind on payments. Several consumers described feeling trapped as telco plan prices increased because they could not afford to pay the significant handset costs associated with exiting their plan.

While we cannot handle complaints solely about price increases, we are concerned the processes some providers follow when changing prices have put financial pressure on consumers.

We heard from telcos who make sure that consumers in financial hardship are on a plan that suits their needs, by looking at how they use their services and advising on better options that may be more affordable. We recommend providers consider the effects on consumers when making changes to plans and offer low-cost or affordable alternatives if a consumer cannot stay on their existing plan.

Case study: Charissa

Since leaving a family violence situation, Charissa has experienced financial hardship for many years. Charissa's financial hardship situation was made worse by the flow on effects of family violence and health complications. Her only source of income is government support payments. She had previously told her telco, AnchorTel, that she is experiencing financial hardship.

During a visit to an AnchorTel store to purchase a device, Charissa was offered additional products but was not informed about the associated costs or total ongoing expenses.

Charissa was unable to pay for all these extra services. When she contacted AnchorTel for help, it did not offer her any hardship assistance and instead sold her debt to a debt collection agency and listed a default on her credit file.

After Charissa contacted the TIO, AnchorTel agreed to remove the default listing from her credit file, buy back her debt from the debt collection agency, and waive all charges on her account, which amounted to nearly \$7,000.

Names of all parties have been changed.

Although less common, our review also found concerning links between hardship and mis-selling of services, where consumers were sold products they could not afford.

Consumers told to wait until the problem gets worse

Consumers who are proactive in seeking help can get better outcomes, manage their payments, and stay connected. One telco we spoke to said consumers should contact them as soon as possible because it is much easier to help consumers get back on track if they ask for help early.

However, we heard from consumers who told their telco they would not be able to pay for their next monthly charges, but the telco refused to offer any assistance until the consumer had missed a monthly payment.

Some telcos explained that their billing systems did not allow them to make changes when bills were not overdue, or that the consumer was on a subscription plan that could not be changed.

Some telcos told consumers the only way they could offer them a payment plan was if they cancelled their service, so the remaining monthly payments in their contract would be consolidated. However, the cost of the outstanding charges over the payment plan period they offered the consumer (for example, six months) was often more than the consumer could afford.

Case study: Amari

Amari is unemployed and had reserved her limited monthly funds for medical expenses. She contacted her telco, PinkTel to get an extension on an upcoming bill. PinkTel said the system was automated and she would need to ask again once the payment was overdue. Amari withdrew the medical money from her account, waited until payment failed, then called PinkTel again for assistance.

PinkTel told her to wait until the payment failed a second time before it could offer payment assistance.

Despite the intervention of the TIO, PinkTel continued to pressure Amari to make a lump-sum payment rather than entering a payment plan. Through our complaints process, PinkTel finally agreed to waive the remaining bill.

Names of all parties have been changed.

Unexpected payments

Apart from their regular monthly bills, consumers reported being placed in hardship following an unexpectedly large payment.

In some cases, these large payments were made by consumers by accident, but the situation was worsened by the telco either refusing or delaying the refund that the consumer believed they were entitled to.

In other cases, the large debit was caused by telco error. Telcos sometimes billed the consumer incorrectly, forgot to apply credits, or ignored the payment arrangement and debited the full amount from the consumer. These situations were worsened by the consumer's inability to control their own payment methods.

Case study: Monica

Monica needed enough money in her account to pay for an urgent car repair, so she asked her telco for an extra week to pay her bill. The telco agreed to give her an extra week but then took the money out of Monica's account on the regular day. It then refused to refund Monica, leaving her with limited funds for another week.

Names of all parties have been changed.

We heard from consumers who wanted to move to a cheaper telco but could not cancel their current plan as they would have to pay for their mobile device in one lump sum, which they could not afford. One telco we spoke to told us that in this situation they can offer consumers a nominal monthly plan that will allow consumers to keep paying off their monthly device charges if they want to cancel their plan.

“ This is devastating to us, as we are already struggling to meet basic needs, and I need to feed my 5-year-old and pay for petrol to get her to kindergarten. We live in a rural region and even struggle to pay the petrol to seek out the food relief we use.”

This consumer contacted the TIO after their telco direct debited money from their bank account even though they had a payment plan in place.

Contact us

The Telecommunications Industry Ombudsman is a free and independent dispute resolution service for people and small businesses who have an unresolved complaint with their phone or internet service.

You can complain through our website at:

www.tio.com.au or by calling 1800 062 058.

You can post a letter to:

PO Box 276, Collins Street West, VIC 8007 or fax it to 1800 630 614.

If you need to use a language other than English, call the Translating and Interpreting Service on 134 450 and they will help you speak with us. They are a free service.

Calls to the above numbers on mobile phones may incur charges.

Getting someone to help you:

You can also ask someone else to complain for you or your business, such as a friend, family member, or financial counsellor. Ask for our authorisation forms over the phone or find them on our website

Additional help if you are experiencing payment difficulties

- Financial Counselling Australia: www.financialcounsellingaustralia.org.au
- The National Debt Helpline: www.ndh.org.au | 1800 007 007
- You can find helpful information from the Australian Communications and Media Authority here: www.acma.gov.au/help-if-you-cant-pay-your-phone-or-internet-bill