

Payments

Complaints we receive about payments include claims that:

- a provider is charging a consumer for the way they pay or receive their bills
- a payment is missing or has been incorrectly applied
- a provider has taken a direct debit without notice or authorisation
- a provider has tried to take a direct debit repeatedly even though the first direct debit failed
- a provider has either direct debited an incorrect amount or processed the direct debit on a date other than what was agreed.

Laws and codes of practice

The following laws and codes of practice are relevant to complaints about payments.

- [Telecommunications \(Customer Service Guarantee\) Standard 2011](#)
- [Telecommunications Consumer Protections \(TCP\) Code 2015](#)

Our approach

When we deal with complaints about payments we consider the law, good industry practice, and fairness in all the circumstances.

Good industry practice

Chapter 5 of the [Telecommunications Consumer Protections Code](#) includes the following rules for payments.

A provider must offer at least one free method of payment.

Payments made on or before the due date should be visible in the provider's systems within two business days of their being formally notified of the payment.

Payments made on or before the due date should be applied to the consumer's account within five business days, or before the next bill is generated, whichever

comes first. Payments received after the due date should be applied within five business days.

Consumers must be able to easily verify that payments have been made.

For direct debits, consumers must be able to:

- access their billing information before a direct debit is taken
- verify the direct debit arrangements are in accordance with their authorisation
- easily cancel the direct debit, for example by emailing or faxing a request.

Providers must:

- give the consumer at least 10 business days to verify the applicable charges before taking a direct debit except where otherwise agreed with the consumer
- make sure the direct debit is taken as close as possible to the due date for payment
- cancel a direct debit within three business days of receiving the consumer's request.

This position statement provides broad guidance on the law, good industry practice, and what the TIO may consider to be fair and reasonable in general circumstances. It is not a full statement of the law or good industry practice. The TIO considers each matter brought to it on its own particular merits.

POSITION STATEMENT

Payments

TIO view

Available payment methods

Before a consumer agrees to a service, the provider should give the consumer clear information about:

- the available ways they can pay for their service
- if there are any fees for paying in certain ways, for example, a BPAY processing fee or a credit card fee.

Making payments

Before making a payment a consumer is responsible for checking their bill and account information to confirm they are making the payment correctly.

We recommend consumers keep records of payments they make to their provider, especially if they pay with cash. If a payment has not been applied to their account, they should contact their provider as soon as possible. They may need to give the provider proof of the payment, for example, a copy of a receipt or their credit card statement.

If a consumer pays their account on or before the due date the provider is not entitled to charge any late payment fees. It does not matter if the payment is then delayed in being applied to the consumer's account by either the payment method, for example using BPay or paying with cash at the post office, or the provider's systems.

Disputed direct debits

If a consumer contacts their provider to dispute a direct debit before it is taken, the provider should stop the direct debit immediately and look into the consumer's concerns.

Cancelling direct debits

Depending on the type of bank account they have, consumers can usually cancel a direct debit by contacting their bank. Consumers who cancel the direct debit this way could be breaching the agreement with the provider. As a result they may be liable for exit fees. We recommend that consumers do not cancel a direct debit through their bank without contacting their provider first.

Dealing with a dispute

To assess a complaint about payments we ask for information from the consumer and provider.

Payment methods

- Did the provider make information available to the consumer about available ways to pay, and the costs of these payment methods, before the consumer agreed to the service?
- Has the provider offered one payment method that is free?
- What does the contract or associated information say about the available ways to pay?

Missing payments

- Does the consumer have proof of the payment?
- What are the consequences of the missed or delayed payments? For example, has the consumer been charged a late payment fee, or had their service disconnected?

Direct debits

- Did the consumer give informed consent for a direct debit arrangement?
- Is there a record of the direct debit agreement?
- Did the provider tell the consumer how much would be taken and when?
- Was the correct amount taken?
- Did the provider try to direct debit the consumer's account more than once? If so, why?

Outcomes

Payment methods

If, in our view, a consumer was not told about the cost of a particular payment method we expect the provider to waive or reimburse the payment fee for that particular transaction and give the consumer enough information for them to decide on the best payment method for their needs.

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When a provider demonstrates that it has told the consumer about the available ways to pay and any particular charges we will generally not take any further action on the consumer's complaint.

Missing payments

If, in our view, a consumer has made a payment on or before the due date which has not been applied to an account correctly, we expect the provider to apply the payment correctly and waive or refund any late payment fees incurred because of the missing payment. When a service has been suspended or disconnected because of a missing payment we expect the service to be restored. The consumer may also be entitled to compensation for wrongly suspended or disconnected services, including under the Customer Service Guarantee Standard.

When we cannot be sure the consumer made a payment because, despite their best efforts, they cannot give us proof of payment, common resolutions include:

- for cash payments, referring the consumer to the place of payment to see if a search is possible
- for other payments, referring the consumer to the consumer's bank to see if it can trace the payment and resolve the issue
- the provider giving the consumer a full reconciliation of their account
- the consumer paying the charges.

Direct debits

If, in our view, a direct debit was unauthorised or incorrect, we expect the provider to refund the disputed amount unless this has already been done by the consumer's bank. If the consumer was charged bank fees they would not have been charged had the direct debit been correct, we expect the provider to compensate the consumer for the bank fees.

Effective date: 11 March 2016

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