

## **Introduction**

Thank you for your kind introduction.

I acknowledge the Gadigal people of the Eora Nation, on whose land we meet.

I pay my respects to their Elders past and present, and extend my respect to Aboriginal and Torres Strait Islander people from all nations of this land.

## **Opening**

Thank you for the opportunity to speak to you today. My name is Judi Jones and I am the Telecommunications Industry Ombudsman.

Gatherings like this provide me with a perfect opportunity to tell you

- what our research is telling us about complaints
- what people are looking for when they complain
- and why telcos should care about complaints.

## **An example**

Before I get into the detail, I want to tell you Sarah's story.

Sarah lives in Strathfield – here in Sydney. After some time without a job, Sarah was excited to have found one.

Now that she has certainty of income, she decides to transfer her mobile plan from prepaid to post-paid.

Sarah goes online and fills in what she thinks is the right form. After submitting it, she thinks she might have done the wrong thing so calls her telco to check.

After spending an hour listening to messages and hold music, Sarah talks to someone who tells her it was the right form, but she will need a new SIM card for the new service. They will send this to her but it will take a couple of days to arrive.

The package comes during the day (when she is at work) – and with no one home, the courier sends the package back to the warehouse near the airport for collection.

Sarah has to wait a while until she feels she can ask her new boss for some Flexi time and be able to leave work early to pick up the SIM. She finally collects the package – only to find the envelope is empty – no SIM card.

Sarah calls her telco again and this time enjoys 106 minutes of wait time.

The person she eventually speaks to apologises and tells her they will send another SIM card out.

Sarah is now without a service as her prepaid plan has ended.

In desperation Sarah decides to go to the telco's city shop in her lunchtime – only to be told that the switch should have been easily made online and that a new SIM was not even required.

The helpful staff member says 'You should always come in – the call centre people have no idea what they are doing'.

If it weren't for the cancellation fee – Sarah – by now furious – would have cancelled her new service then and there.

For Sarah, what started out as a simple - and celebratory - task turned into frustration and something occupying both time and head space. Not a good start to a new service.

You will note that in this instance I have not told you Sarah contacted my office. She didn't initially. Sarah told us about her experience when she next had a problem with her telco and got on the line to us.

## **About my office**

So what do people want when they complain? First a bit of a refresher. Who are we?

We provide an independent dispute resolution service for residential consumers and small businesses who have an unresolved complaint about their phone or internet service.

Our service is free for consumers to use.

I have the authority to decide the resolution of any complaint up to \$50,000 and I can make recommendations up to \$100,000.

Members of the scheme are legally obliged to implement my decisions under our constitution and terms of reference.

And under the Telecommunications (Consumer Protection and Service Standards) Act 1999 ALL carriers and carriage service providers must belong to the Telecommunications Industry Ombudsman scheme and must comply with the requirements of the scheme.

We now have more than 1600 members.

But if you are a telco offering services to residential consumers or small businesses and you are not a member of the scheme – please get in touch with my office – we need to talk.

## **Dispute Resolution**

With the power to arbitrate disputes comes responsibility – and I take the responsibilities of my role seriously.

The Australian Government provides clear benchmarks for Industry-based Customer Dispute Resolution schemes, such as ours – and these are front and centre of all our work.

This means:

- Being Accessible
  
- Being Independent
  
- Being Fair
  
- Being Accountable
  
- Being Efficient; and
  
- Being Effective

Keeping faith with these important principles means my office can help telcos:

- resolve individual complaints.
  
- and use complaint data to improve the customer experience.

## **Our work**

Having strong principles underpinning our work is only effective if we ensure we reach those in the community that need help.

Which is why we have been embarking on awareness campaigns in parts of the country where our data shows there is a lower awareness of our services.

These campaigns simply tell people where to complain when a problem is unresolved.

The Government's benchmarks require us to be accessible, and the first step in being accessible is for people to know we exist.

We have recently researched this, and the results show we need to do more to engage with people on low incomes as well as with people who are from culturally and linguistically diverse backgrounds.

What our research is telling us about complaints

We commissioned research about Australians' experience of their phone and internet services and to see if we are providing an accessible complaints service.

The results are in and today I share the research for the first time.

What we found was some important information for us – and also for telcos.

Undertaking research like this is important – it provides compelling information of how Australians are experiencing their phone and internet services.

It also helps us understand how we can improve community awareness of the complaints process and of our service.

And so the research.

We surveyed almost 3000 people from across the nation.

Respondents included a mix of people from around the country, younger and older, across a broad mix of income types, including residents and small businesses.

We also reached out to culturally and linguistically diverse Australians  
(And maybe even some New Zealanders!).

And their message to us was that both we and the broader telecommunications industry need to do more.

We found that:

- 1 in 2 Australians have had phone or internet issues in the past year.

o That is potentially 10 million Australians who

are having issues with their phone or internet service.

- 1 in 5 had more than one issue.

For small businesses things are also quite discouraging:

- Almost 60 per cent had had an issue in the past year.
- And almost 25 per cent had had more than one issue.

And lest you think an issue may be only minor,

Residential consumers and small businesses both rated the vast majority of issues as 'serious' or 'very serious'.

For both residential consumers and small businesses, the majority of issues relate to service delivery and in particular the quality or the absence of a service.

The research showed almost 1 in 4 issues remained unresolved after four months - that is a long time, and too long if you are without a service at all.

Problems with internet services also ranked highly and are across all networks – so both on legacy networks and the national broadband network.

When people had a complaint they were not clear about how to complain.

These findings are consistent with our experience.

We will release our six month update next week, and while I am not revealing the full results now (no need for a spoiler alert), I can tell you the report is showing complaints continue to be high.

Our research also tells us that only 12 per cent of people who had a serious issue contacted my office.

Now that could mean the issue had been quickly resolved – but remember 25 per cent of issues had not been resolved after four months.

Would you wait for four months for a service?

There is clearly more work us and for industry to do.

### **What people tell us they want when they complain?**

When talking to consumers or to the media, I always encourage people to talk to their phone or internet company as soon as a problem arises.

My experience is problems are much easier to resolve when they are dealt with quickly.

When a consumer calls with a problem, the challenge for telcos is to LISTEN – and I mean really LISTEN.

Make sure you understand the problem from the perspective of the person making the complaint. Try to walk in their shoes.

Remember most Australians are making contact in time- pressured environments including the day to day challenges of running a small business, or juggling work and family responsibilities.

Ask open questions and don't assume you know what the problem is or what has caused the problem.

Failing to listen well can mean you don't think there is a real problem, or you fix the wrong problem.

What starts off as a simple and easily fixed issue can all too often spiral into a series of miscommunications and confusion between telco and consumer – remember Sarah's story.

Failing to recognise a problem or not fixing the right problem can mean the consumer then contacts my office to ask for assistance.

And an unresolved complaint is often the reason a consumer will switch providers.

On the other hand, fixing a problem well and quickly can create stronger customer loyalty.

Putting the consumer experience at the centre of your service means doing things like making it easy to for a customer to get assistance and if necessary, to complain.

There are other benefits too – recent research published by the University of Newcastle and the Society of Consumer Affairs Professionals (SOCAP) found having an effective complaints system increased customer satisfaction, increased customer retention, drove greater staff satisfaction – and also gave significant opportunities for return on investment.

And while we are talking about resolving complaints, our research shows while having a problem fixed straight away is good, if that is not possible, the key thing people want is a clear understanding of what the process is and what to expect.

### **Disadvantaged Australia**

The telecommunications industry is a fantastic industry to be in – every body wants what you are selling and it is now rightly regarded by Australians as an essential service. Having access to phone and internet services is important for everyone – including Australians on a low or fixed income.

As the South Australian Council of Social Services (or SACOSS) points out phone and internet services:

“... provide a platform for a variety of social connections and participation in society from keeping in touch with friends and family, to finding information on current affairs, government services and community events, to shopping, paying bills, accessing government payments and looking for employment.”

The SACOSS research also shows that the cost of having a phone and internet service is taking a growing share of the resources for Australians from lower socio- economic backgrounds.

So getting things right is a big responsibility for all of us.

### **Why care about complaints**

While I am here to encourage you to use complaints to help improve services, I am aware there are other motivators.

There is increased scrutiny from the ACCC and ACMA.

There is the recent rush of enforceable undertakings from internet service providers to the ACCC on advertised speeds for services delivered over the NBN.

And the recent move by ACMA to propose new complaint handling and record keeping rules, and greater safeguards for consumers migrating to the NBN demonstrates the telco regulator is also not shying away from taking comprehensive action.

In other sectors a critical consumer voice spurred on by unresolved complaints led to a more dramatic Government intervention.

Not very far from here, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry continues its work.

## **Here to help**

I said earlier that we provide a free service for residential consumers and small businesses.

But our service is for members too.

With that in mind it is worth repeating that we are here to help industry – resolving complaints and providing insight from the data we collect.

I have made the case there is work for the industry to do in reducing complaints. Some might say a transformation is needed.

The question for industry is whether it invests in paying more for my office to handle increasing numbers of complaints, or invests that money in improving its own service delivery and improving internal complaints processes.

I certainly recommend the latter.

## **Awareness about our complaints service**

As I mentioned earlier our research tells us that we need to do more to ensure that people are aware of our service.

And we intend to fix that.

Towards the end of last year we developed a targeted initiative in Western Australia that we used to remind the community of how to complain.



We believe that awareness initiatives help improve the accessibility of our complaints service, especially by those Australians who need help the most.

It's an approach we are taking to other parts of the country.

Of course our message is if you have a problem you should contact your telco first – so it is the responsibility for telcos to be properly equipped to respond to complaints.

## **Conclusion**

I believe the telecommunication industry needs to take a closer look at what complaint data and our research is telling us.

We need to LISTEN.

By focusing on complaints phone and internet providers will be in a much better position to understand the needs of their consumers.

We have heard a lot today about new technologies and systems. But the industry needs to remember it is as important do the simple things well. Remember Sarah, whose simple request turned into something that caused significant frustration.

Improving services and reducing complaints can only be a good thing for companies providing such essential services to a diverse community like Australia.

Thank you.