

## **Telecommunications Industry Ombudsman submission to the 2018 Regional Telecommunications Review**

### ***Introduction from the Ombudsman, Judi Jones***

I welcome the opportunity for the Telecommunications Industry Ombudsman to once again contribute to the Government's triennial regional telecommunications review.

The review committee is tasked with looking into the adequacy of telecommunications services and equitable access to those services for regional Australians.

As the independent dispute resolution service for telecommunications complaints, the Telecommunications Industry Ombudsman is in a unique position to provide insights into and to make comparisons between the experiences of residential and small business consumers in major cities and those in regional and remote Australia. We hope our insights are useful to the review committee and look forward to its report to help inform and shape our on-going efforts to make the Telecommunications Industry Ombudsman known, accessible and a valuable resource for regional Australians.

Wherever possible, this submission draws on the Telecommunications Industry Ombudsman's experience in facilitating the resolution of complaints and through its investigation into systemic issues.

More information about *How to understand the Telecommunications Industry Ombudsman's complaints data* is provided at **Appendix A**.

This submission covers:

1. Accessible dispute resolution for all Australians
2. Overview of complaints to the Telecommunications Industry Ombudsman since the 2015 regional review
3. Numbers of complaints to the Telecommunications Industry Ombudsman from regional and remote Australia
4. Insight into telecommunications issues in regional and remote Australia

# Telecommunications Industry Ombudsman submission to the 2018 Regional Telecommunications Review

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## Part 1: Accessible dispute resolution for all Australians

This Part covers:

- The Telecommunications Industry Ombudsman's dispute resolution service
- Our ongoing engagement with advocates of regional and remote consumers

### 1.1 The Telecommunications Industry Ombudsman's dispute resolution service

The Telecommunications Industry Ombudsman provides access to justice for consumers of telecommunications services by offering an independent, fair and accessible dispute resolution service.

Providers of telecommunications services are required to join and comply with the Telecommunications Industry Ombudsman scheme.<sup>1</sup> This means implementing a decision of the Ombudsman or following the Ombudsman's direction.

For a complaint to be within jurisdiction,<sup>2</sup> the complaint must be about a provider that is a current scheme member.<sup>3</sup>

The membership base of over 1,500 members has been relatively stable over the past three years and comprises telecommunications retail service providers, wholesalers and network operators.

Residential and small business consumers Australia-wide can escalate their complaint to the Telecommunications Industry Ombudsman if they remain dissatisfied with their provider's response, or the way in which their provider is handling their complaint.

The first step in the dispute resolution process involves referring the complaint to an escalation point at the provider. The referral facilitates resolution in 90 per cent of cases because of the work done by the Telecommunications Industry Ombudsman staff in listening and clarifying the facts with the residential or small business consumer, informing them of their rights and obligations having regard to relevant consumer laws and industry codes, and setting expectations by providing an impartial assessment of the resolution options.

If the residential or small business consumer returns to the Telecommunications Industry Ombudsman because the complaint was not resolved by referral, the case progresses to conciliation or investigation. Some cases are resolved by a mutually agreeable settlement facilitated by the case officer and other cases by an assessment of the issues in dispute leading to a recommended fair and reasonable outcome. Appeals against the decision in the assessment are reviewed by a more senior officer or the Ombudsman.

When considering the complaint, the Telecommunications Industry Ombudsman will have regard to the law, good practice and what is fair in the circumstances.<sup>4</sup>

The Telecommunications Industry Ombudsman can identify as a systemic issue certain matters affecting a number or class of consumers and take action to reduce the consumer detriment. The approach to systemic issues is to bring the matter to a provider's attention in order to remediate the problem or to investigate and publish our findings to draw attention to industry-wide issues.<sup>5</sup>

For example, the Telecommunications Industry Ombudsman recently published recommendations about steps providers can take to prevent consumers losing their telephone number when migrating to a service delivered over the NBN.<sup>6</sup>

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<sup>1</sup> *Telecommunications (Consumer Protection and Service Standards) Act 1999*, s128

<sup>2</sup> Telecommunications Industry Ombudsman Terms of Reference (version published on 25 October 2017). See: [https://www.tio.com.au/\\_data/assets/pdf\\_file/0019/251443/TELECOMMUNICATIONS-INDUSTRY-OMBUDSMAN-TERMS-OF-FINAL-OCTOBER-2017.pdf](https://www.tio.com.au/_data/assets/pdf_file/0019/251443/TELECOMMUNICATIONS-INDUSTRY-OMBUDSMAN-TERMS-OF-FINAL-OCTOBER-2017.pdf)

<sup>3</sup> See above note 2, clause 2.3; and the *Telecommunications Industry Ombudsman Members Listing*: <https://www.tio.com.au/members/members-listing>

<sup>4</sup> As above for note 2, clause 1.5

<sup>5</sup> As above for note 2, clause 5; and the Telecommunications Industry Ombudsman's Complaints Handling Procedures on systemic issues. See: <https://www.tio.com.au/about-us/policies-and-procedures/systemic-problem-investigation>

<sup>6</sup> Telecommunications Industry Ombudsman, *Systemic Insight: Loss of telephone numbers during migration to the NBN (18 July 2018)*. See: <https://www.tio.com.au/publications/news/systemic-insight-loss-of-telephone-numbers-during-migration-to-the-nbn>

## 1.2 Our ongoing engagement with advocates of regional and remote consumers

The Telecommunications Industry Ombudsman recognises the importance of engaging with representatives of regional and remote Australia to promote awareness of, and access to our dispute resolution service. Outreach activities in 2017 – 2018 included exhibition stands and speaking at conferences with financial counsellors, including those who serve rural and remote communities:

- South Australian Financial Counsellors Association (SAFCA) – Sept 2017
- The Financial and Consumer Rights Council (FCRC) – Oct 2017
- Financial Counselling Association of Western Australia (FCAWA) – Oct 2017
- Financial Counselling Australia National Conference in Hobart – May 2018

We also sent information about our service (posters, flyers and small contact cards) to financial counsellors, legal centres and members of parliament in Northern Territory and Western Australia for distribution to consumer advocates' staff, clients and constituents.

In 2018, we sent our *Telco Rights Toolkit* to financial counsellors and community legal centres in Western Australia, Northern Territory and South Australia. The toolkit is designed to inform Aboriginal and Torres Strait Islanders about their phone and internet rights and how to complain if they have a problem.

In addition, Telecommunications Industry Ombudsman staff regularly liaise with consumer organisations who represent regional and remote Australians, including:

- ACCAN, the peak telecommunications consumer representative body;<sup>7</sup>
- the *Regional, Rural and Remote Communications Coalition*.<sup>8</sup> The Coalition represents significant national farming and rural interests; and
- State and Territory Small Business Commissioners and the Australian Small Business and Family Enterprise Ombudsman.<sup>9</sup>

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<sup>7</sup> See: <http://accan.org.au/>

<sup>8</sup> See: <http://accan.org.au/rrrc-coalition#RRRCC>

<sup>9</sup> See: <http://www.asbfeo.gov.au/>

## Part 2: Overview of complaints to the Telecommunications Industry Ombudsman since the 2015 regional review

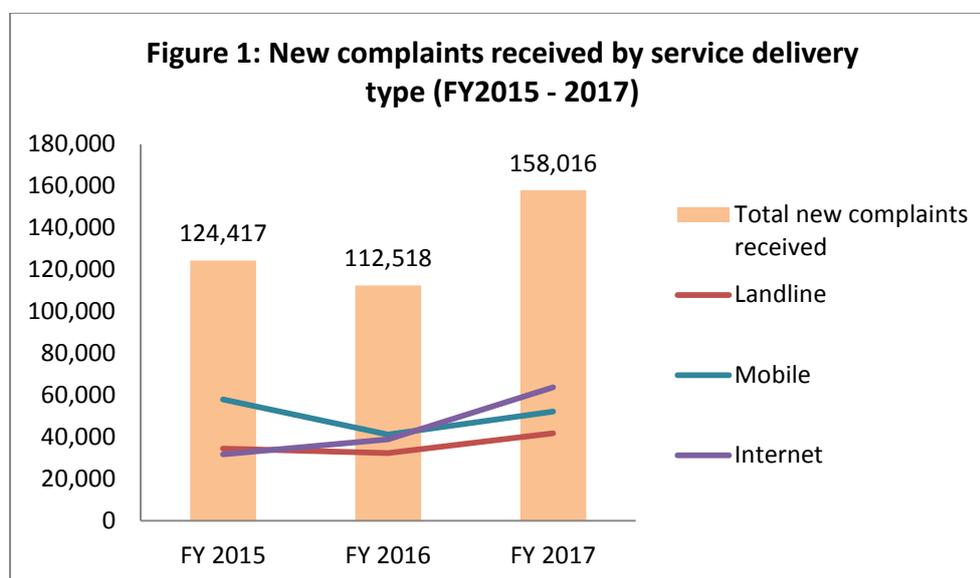
This Part covers:

- Trends in new complaints - financial years 2015 to 2017
- New complaints in the first half of financial year 2018
- Regulatory responses to consumer complaints in a disrupted industry

### 2.1 Trends in new complaints - financial years 2015 to 2017

The Telecommunications Industry Ombudsman continues to be a high volume dispute resolution service, handling over 100,000 complaints from residential and small business consumers Australia-wide every financial year since the 2015 regional telecommunications review (**Figure 1**).

In financial year 2017 the Telecommunications Industry Ombudsman recorded and handled 158,016 new complaints from residential and small business consumers Australia-wide. This reflects an upward trend in new complaints to the Telecommunications Industry Ombudsman compared with the preceding two financial years. The increase in new complaints can be attributed to an increase in complaints across all three service delivery types - landline, mobile and internet services. It is notable that complaints about internet services increased at a higher rate across the three financial years than complaints about mobile and landline services.



### 2.2 New complaints in the first half of financial year 2018

From 1 July to 31 December 2017, the Telecommunications Industry Ombudsman received a total of 84,914 new complaints. This was a decrease from 92,046 new complaints in the preceding six month period, January to June 2017. However, accounting for seasonality trends within a calendar year, this represents a 28.7 per cent increase in new complaints compared with the same period in 2016.

#### New complaints segmented by service type

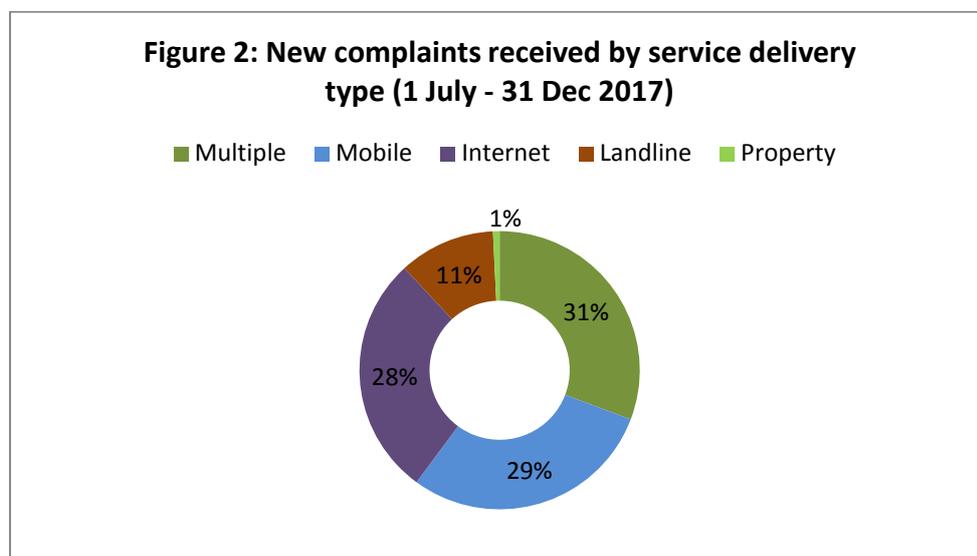
From 1 July 2017, the Telecommunications Industry Ombudsman introduced a new approach to capturing and recording complaints: see **Appendix A**.

As part of this new approach, new service delivery categories for *multiple services* and complaints about *property* were added for improved reporting. *Multiple services* refers to complaints involving more than one type of service, for example a complaint about a delay connecting both a landline and internet service. *Property* refers to complaints from a land owner or occupier about damage to their property.

This means our data sets from 1 July 2017 in **Figure 2** are not directly comparable with our pre-1 July 2017 data sets in **Figure 1**.

As illustrated in **Figure 2**, in the period July – December 2017 the greatest number of new complaints to the Telecommunications Industry Ombudsman involved multiple services (accounting for 26,112 new complaints).

This was closely followed by new complaints about mobile services (24,923 complaints) and internet services (23,785 complaints).



### 2.3 Regulatory responses to consumer complaints in a disrupted industry

The Telecommunications Industry Ombudsman's complaint levels have historically risen and fallen in response to disruption in the telecommunications industry. Our data shows there is a correlation between significant marketplace events and a higher volume of complaints.

The roll-out of the NBN is a major transformative event affecting the Australian telecommunications service sector, with a projected completion date in 2020.

The transformative effect of the NBN is recognised by the Government and regulators alike, with both the ACCC and ACMA undertaking significant initiatives to improve consumer outcomes and increase consumer satisfaction with the telecommunications industry.

In late 2017 the ACCC finalised its *Communications Sector Market Study*<sup>10</sup> and commenced an *Inquiry into NBN wholesale service standards*<sup>11</sup> to explore whether service delivery and performance by wholesalers are incentivising good outcomes for consumers at the retail level.

During 2017 and 2018, the ACCC has been active in regulating industry's promotion and marketing of broadband speeds for NBN plans to consumers. In 2017, the ACCC published industry guidance on how to comply with the *Australian Consumer Law* when making broadband speed claims,<sup>12</sup> and commenced its consumer broadband speed monitoring program.<sup>13</sup> To date, the broadband speed monitoring program has released two rounds of findings.<sup>14</sup>

<sup>10</sup> ACCC, Media Release 186/17 *ACCC issues extensive report on communications market* (30 October 2017). See: <https://www.accc.gov.au/media-release/accc-issues-extensive-report-on-communications-market>; ACCC, Media Release 61/18 *ACCC finalises report on communications market* (5 April 2018). See: <https://www.accc.gov.au/media-release/accc-finalises-report-on-communications-market>

<sup>11</sup> ACCC, Media Release 248/17 *ACCC seeking feedback on NBN wholesale service standards* (18 December 2017). See: <https://www.accc.gov.au/media-release/accc-seeking-feedback-on-nbn-wholesale-service-standards>

<sup>12</sup> ACCC, *Broadband speed claims: Industry guidance* (21 August 2017). See: <https://www.accc.gov.au/publications/broadband-speed-claims-industry-guidance>

<sup>13</sup> ACCC, Media Release 230/17 *ACCC homes in on better broadband speed info for consumers* (1 December 2017). See: <https://www.accc.gov.au/media-release/accc-homes-in-on-better-broadband-speed-info-for-consumers>.

<sup>14</sup> ACCC, Media Release 55/18 *Australia's broadband speeds: first report* (29 March 2018). See: <https://www.accc.gov.au/media-release/australias-broadband-speeds-first-report>; ACCC, Media Release 140/18 *Broadband speeds strong but improvements needed for some* (31 July 2018). See: <https://www.accc.gov.au/media-release/broadband-speeds-strong-but-improvements-needed-for-some>

In addition to accepting court enforceable undertakings from a number of major retail providers for false or misleading broadband speed claims,<sup>15</sup> the ACCC has issued penalties against providers for how they advertise NBN service performance.<sup>16</sup>

In 2018, the ACMA finalised its suite of new enforceable rules for retail provider complaints handling and record-keeping.<sup>17</sup> And to improve the experience of consumers migrating to a service delivered over the NBN, the ACMA introduced new requirements to safeguard consumers by requiring providers to give comparable consumer information about NBN plans and to take steps to ensure a customer's continuity of service.<sup>18</sup> The Telecommunications Industry Ombudsman contributed to the development of the ACMA's new rules by making two written submissions.<sup>19</sup>

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<sup>15</sup> ACCC, Media Release 199/17 *Telstra offers to compensate 42,000 customers for slow NBN speeds* (8 November 2017). See: <https://www.accc.gov.au/media-release/telstra-offers-to-compensate-42000-customers-for-slow-nbn-speeds>; ACCC, Media Release 237/17 *Optus to compensate customers for slow NBN speeds* (11 December 2017). See: <https://www.accc.gov.au/media-release/optus-to-compensate-customers-for-slow-nbn-speeds>; ACCC, Media Release 250/17 *TPG to compensate customers for slow NBN speeds* (20 December 2017). See: <https://www.accc.gov.au/media-release/tpg-to-compensate-customers-for-slow-nbn-speeds>; ACCC, Media Release 43/18 *iiNet and Internode to compensate customers for misleading NBN speed claims* (20 March 2018). See: <https://www.accc.gov.au/media-release/iinet-and-internode-to-compensate-customers-for-misleading-nbn-speed-claims>; ACCC, Media Release 49/18 *Dodo, iPrimus and Commander to compensate over 5,000 customers* (23 March 2018). See: <https://www.accc.gov.au/media-release/dodo-iprimus-and-commander-to-compensate-over-5000-customers>

<sup>16</sup> ACCC, Media Release 136/18 *MyRepublic pays penalties for NBN speed claims* (23 July 2018). See: <https://www.accc.gov.au/media-release/myrepublic-pays-penalties-for-nbn-speed-claims>

<sup>17</sup> ACMA, Media Release 17/2018 *ACMA rules kick in on telco complaints* (7 June 2018). See: <https://www.acma.gov.au/theACMA/acma-rules-kick-in-on-telco-complaints>

<sup>18</sup> ACMA, Media Release 18/2018 *ACMA helps consumers moving to the NBN* (22 June 2018). See: <https://www.acma.gov.au/theACMA/acma-helps-consumers-moving-to-the-nbn>; ACMA, Media Release 23/2018 *ACMA finalises new telco rules for NBN migration* (23 July 2018). See: <https://www.acma.gov.au/theACMA/acma-finalises-new-telco-rules-for-nbn-migration>

<sup>19</sup> Telecommunications Industry Ombudsman submission to the ACMA consultation on *new rules to protect customers migrating to the National Broadband Network – Improving management and handling of consumer complaints* (April 2018). See: [https://www.tio.com.au/\\_data/assets/pdf\\_file/0010/256834/3.-20180423-TIO-Submission-ACMA-Complaints-Handling-Standard.pdf](https://www.tio.com.au/_data/assets/pdf_file/0010/256834/3.-20180423-TIO-Submission-ACMA-Complaints-Handling-Standard.pdf); Telecommunications Industry Ombudsman submission to the ACMA consultation on *new rules to protect customers migrating to the National Broadband Network – Improving consumer information and ensuring service continuity and quality* (May 2018). See: [https://www.tio.com.au/\\_data/assets/pdf\\_file/0008/256832/5.-20180511-TIO-Submission-NBN-service-continuity-rules.pdf](https://www.tio.com.au/_data/assets/pdf_file/0008/256832/5.-20180511-TIO-Submission-NBN-service-continuity-rules.pdf)

## Part 3: Numbers of complaints to the Telecommunications Industry Ombudsman from regional and remote Australia

This Part covers:

- Trends in new complaints from regional and remote Australia
- Proportion of new complaints from major cities, regional and remote Australia

### 3.1 Trends in new complaints from regional and remote Australia

The Telecommunications Industry Ombudsman identifies regional and remote Australians by matching:

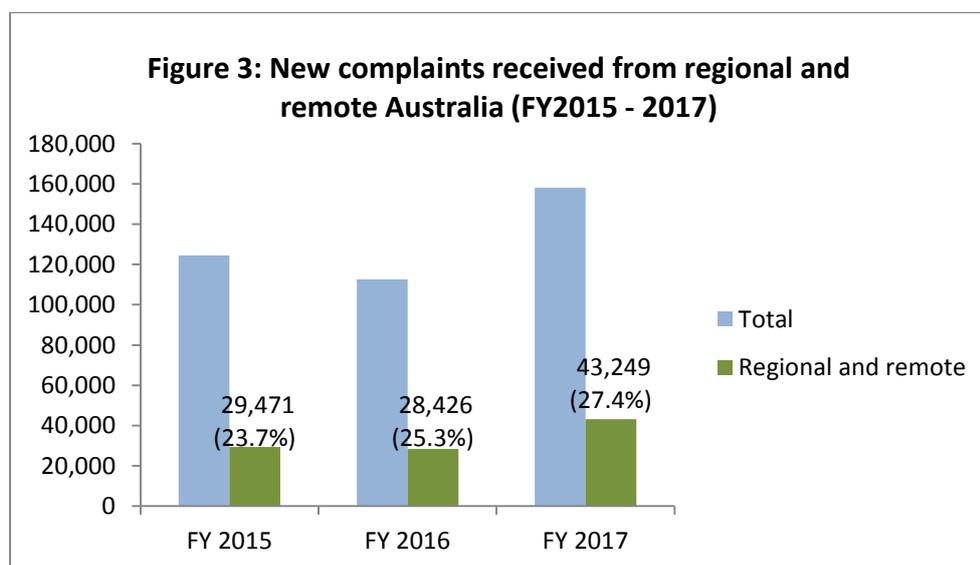
- the postcode a consumer provides for the location of their premise connection that is the subject of their complaint; with
- the latest version of the classification standard the Australian Bureau of Statistics (**ABS**) applies for remoteness of location.<sup>20</sup>

For ease of understanding and analysis, in this submission we refer collectively to regional and remote Australia as distinct from Australians in major cities. Where we identify a discernible difference in trend between regional Australia compared with remote Australia, we distinguish the two to highlight the difference.

For more information about how we identify regional and remote Australians: see **Appendix A** *How to understand the Telecommunications Industry Ombudsman's complaints data*.

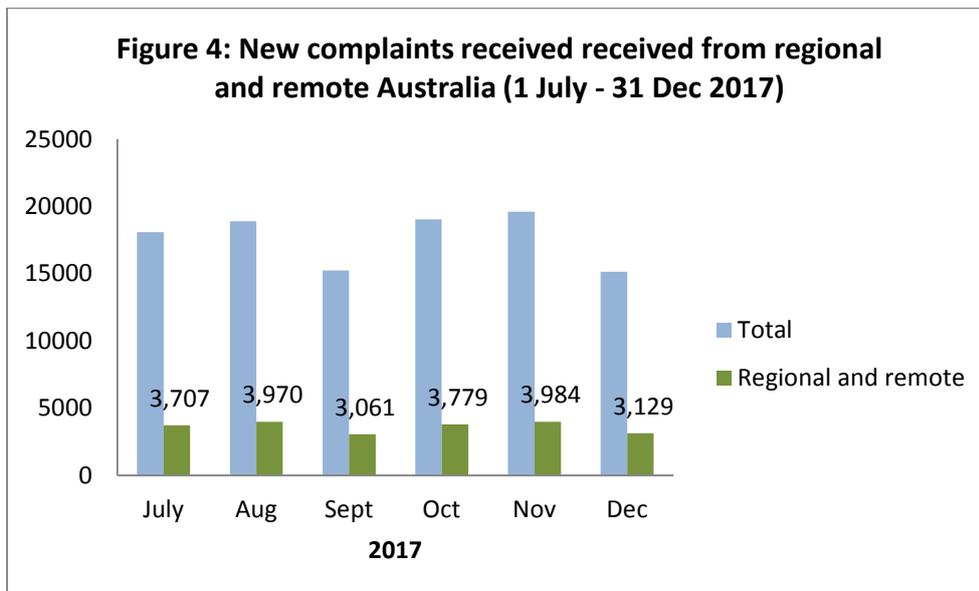
**Figure 3** shows an increasing proportion of all complaints to the Telecommunications Industry Ombudsman over the financial years 2015 to 2017 were from regional and remote Australians.

In financial year 2017, new complaints from regional and remote Australia increased by 52 per cent from the previous year, compared to a 40 per cent increase in all complaints.



During the six months, July to December 2017, the Telecommunications Industry Ombudsman received between 3,000 and 4,000 new complaints per month from regional and remote Australia (**Figure 4**). The total number of new complaints in the six-month period from regional and remote Australia was 21,630. This represents a slightly lower proportion of all complaints (25.5 per cent of all complaints) compared to 27.4 per cent in financial year 2017.

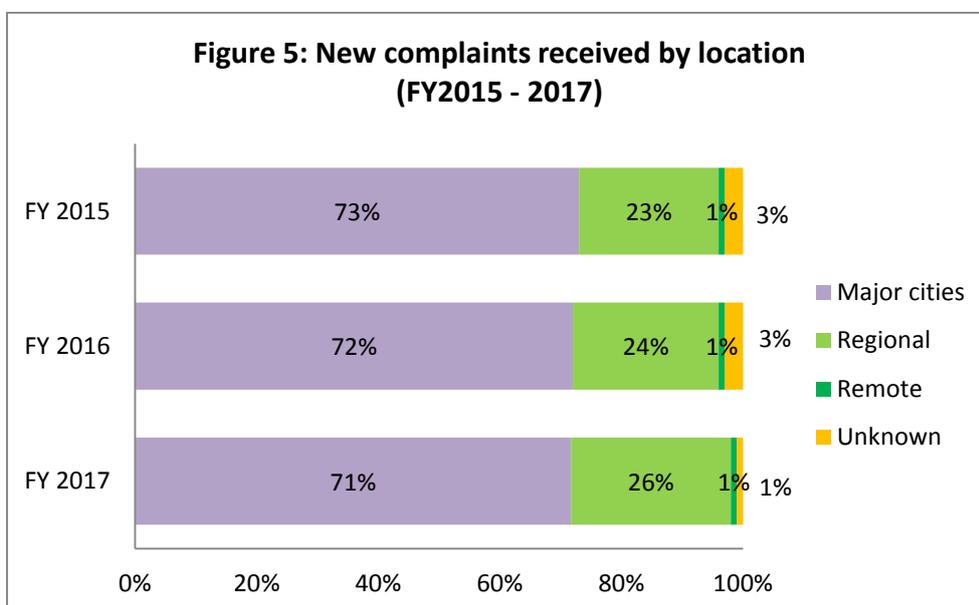
<sup>20</sup> In this submission, we have applied the 2012 version of the ABS Standard to our 2015 to 2017 financial year complaints data; and the 2016 version of the ABS Standard to our complaints data for the first half of financial year 2018.



### 3.2 Proportion of new complaints from major cities, regional and remote Australia

**Figure 5** illustrates a breakdown of the proportions of new complaints from consumers in major cities, regional and remote locations in the three financial years, 2015 to 2017. **Figure 6** is a similar breakdown for complaints received in the first half of the 2018 financial year.

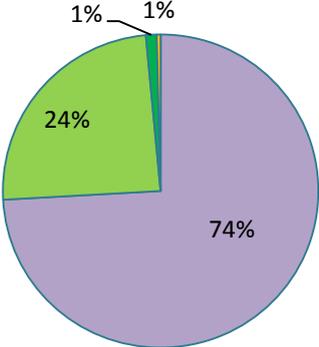
Approximately 25 per cent of complaints are received from regional and remote Australia. Complaints are classified as 'unknown' when there is insufficient information to verify the consumer service location. Improved systems and data collection has reduced the proportion of 'unknown' locations in our data sets.



**Note:** Percentages may not add up to 100% due to rounding.

**Figure 6: New complaints received by location  
(1 July - 31 Dec 2017)**

■ Major cities ■ Regional ■ Remote ■ Unknown



## Part 4: Insights into consumer issues in regional and remote Australia

This Part covers:

- Complaints about landline, internet and mobile services in regional and remote Australia
- Complaints segmented by services on mobile, the NBN and other networks across Australia
- Complaint issues experienced by regional and remote Australians
- Case study extracts illustrating the experience of consumers in regional and remote Australia

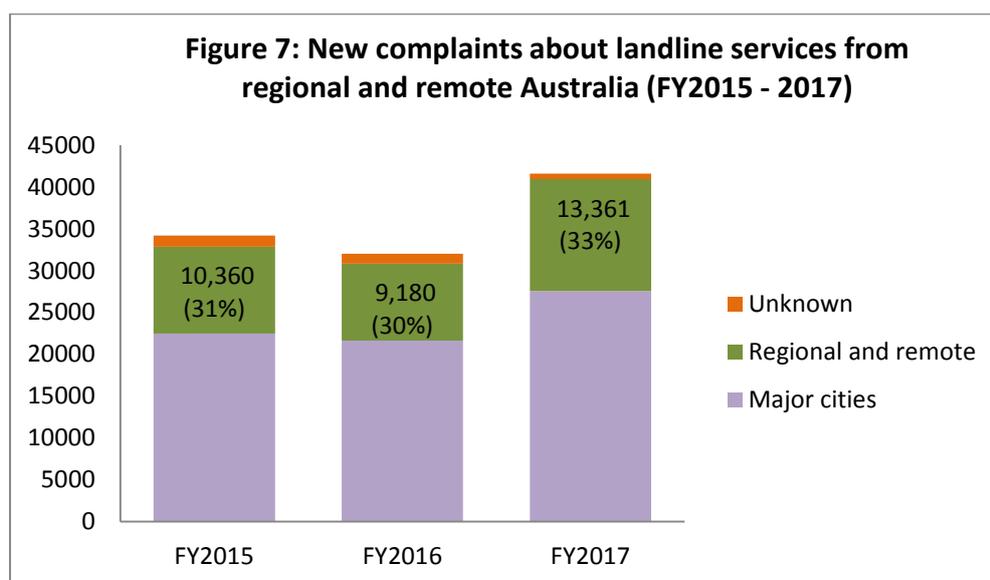
### 4.1 Complaints about landline, internet and mobile services in regional and remote Australia

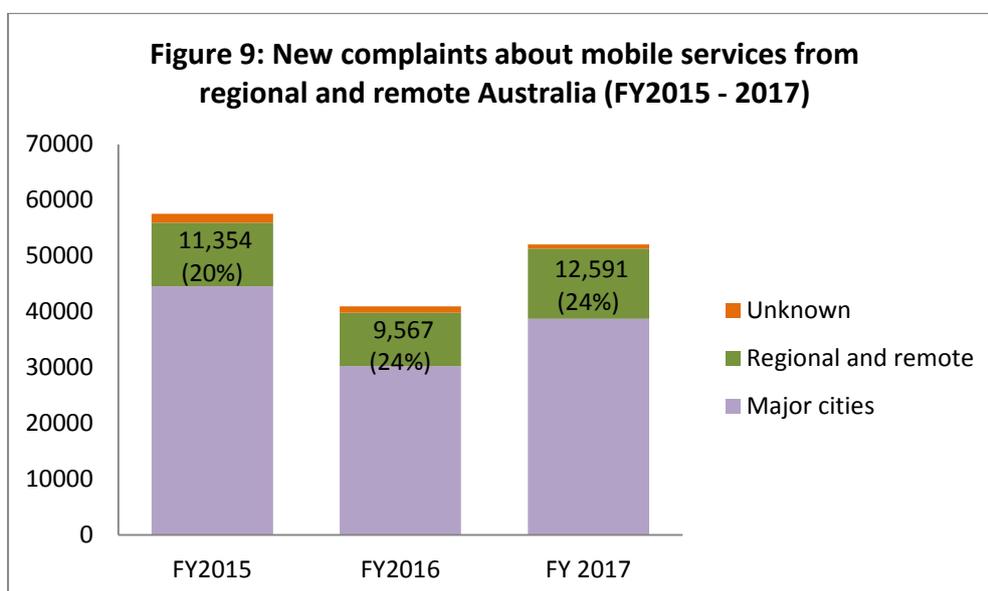
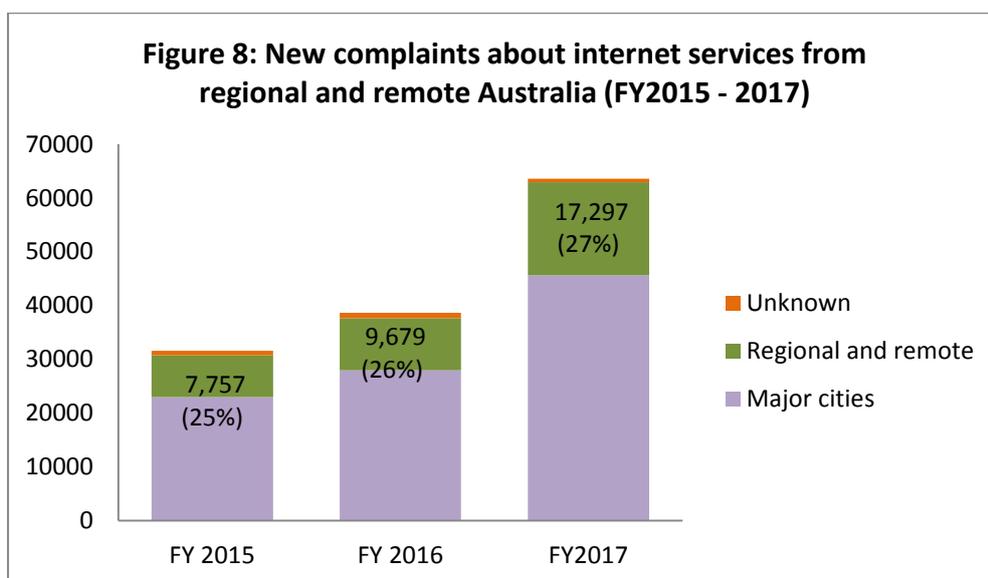
Analysis of complaint data segmented by the type of service (landline, mobile and internet) and location over the review period shows that in financial year 2017, complaints from residential and small business consumers in regional and remote Australia made up:

- 33 per cent of landline complaints (**Figure 7**)
- 27 per cent of internet complaints (**Figure 8**) and
- 24 per cent of mobile complaints (**Figure 9**).

However, the ranking of complaints about different service types in regional and remote Australia differs when the raw numbers in 2017 are compared:

- 17,297 complaints about internet services
- 13,361 complaints about landline service and
- 12,591 complaints about mobile services.





**Note:** Complaints about mobile services include complaints about mobile premium services.

Complaints about internet services steadily increased year-on-year during 2015 to 2017 (**Figure 8**). This does not follow the variable pattern of total complaints numbers to the Telecommunications Industry Ombudsman, which decreased in 2016 (**Figure 1** at Part 2.1 of this submission).

Complaints about mobile services dropped in financial year 2016, when compared with the previous financial year, and increased again in 2017 (**Figure 9**), following the pattern for all new complaints.

A major provider's significant change in approach to marketing of its mobile network coverage, following our systemic investigation may have contributed to the decrease in complaints about mobile services in financial year 2016 compared with 2015.

### Systemic investigation into mobile network coverage maps

**An analysis of cases in this systemic issue shows consumers from major cities and regional and remote Australia were equally represented in the complaints about mobile network coverage maps.**

In 2015, a number of consumers complained about a particular provider's poor indoor mobile network coverage. In these cases, consumers said the quality of their mobile coverage was inconsistent with the provider's mobile network coverage maps published on the provider's website.

Consumers were not satisfied with the provider's response to their complaints. They reported the provider had told them that under the consumer contract indoor network coverage is not guaranteed and they could try a specific phone handset or purchase an antenna to improve the indoor coverage.

The potential systemic issue raised questions about the application of consumer safeguards in the *Australian Consumer Law* and the *Telecommunications Consumer Protections Code*. Our systemic investigation resulted in the provider updating the mobile coverage maps published on its website to make clear they do not reflect indoor coverage. The provider also updated the information it provides customers about antennas, including who pays; how much they cost; and what would happen in the event the antenna did not work.

In closing our systemic investigation, we also assisted consumers with a range of outcomes specific to their particular case, including: releasing the consumer from their mobile contract at no cost, applying credit to the customer's bill, or the consumer having the option 'to try before you buy' the antenna.

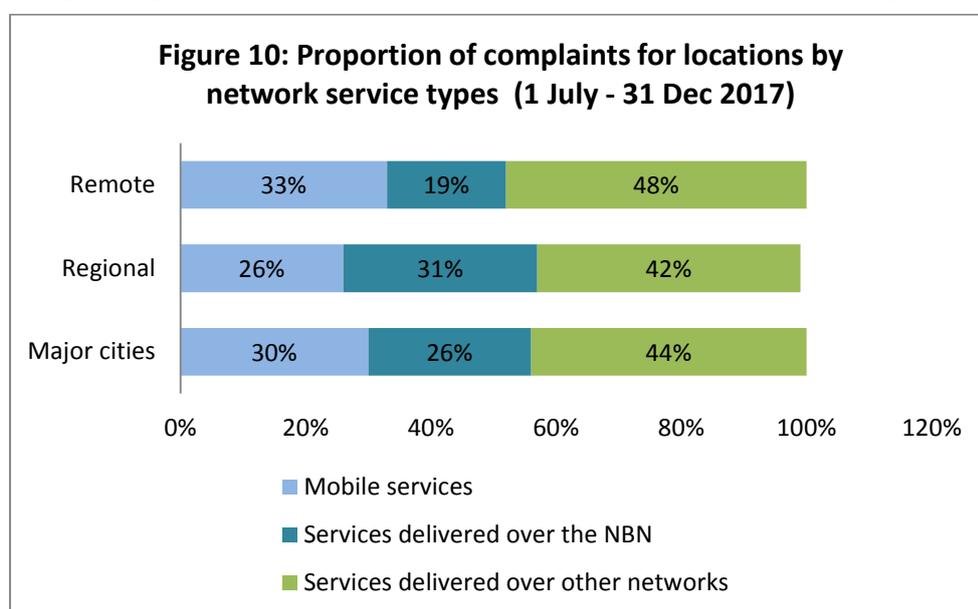
## 4.2 Complaints segmented by services on mobile, the NBN and other networks across Australia

The Telecommunications Industry Ombudsman tracks the impact of the rollout of the NBN by identifying complaints about difficulties connecting to the NBN and complaints about service issues on activated services on the NBN. In our public reporting, connection complaint numbers are reported in the context of the number of new connections during the reporting period and service faults in the context of the total number of premises connected to the NBN at the time of reporting.

For this submission, with a focus on regional and remote consumer issues, we have compared the percentage of complaints about mobile services with the percentage of complaints about connections or service problems on the NBN network and the percentage of complaints about services on the other networks, in major cities and regional and remote locations.

**Figure 10** shows that complaints about services on existing networks is the largest proportion across all three location categories. There is a greater proportion of complaints about mobile services in remote locations and major cities than in regional areas, but regional areas have a higher proportion of complaints about services delivered over the national broadband network than in other locations.

This may be explained in the context of the ACCC's *Communications Sector Market Study Final Report*, which commented that the roll-out of the NBN is half-way complete, with regional Australians being among the first to benefit from the NBN with 56% of activations in regional Australia.<sup>21</sup>



**Note:** Percentages may not add up to 100% due to rounding.

From 1 July 2017, the Telecommunications Industry Ombudsman introduced a new approach to capturing and recording complaints: see **Appendix A**.

This means our data sets from 1 July 2017 in **Figure 10** are not directly comparable with our pre-1 July 2017 data sets in **Figures 7 to 9**.

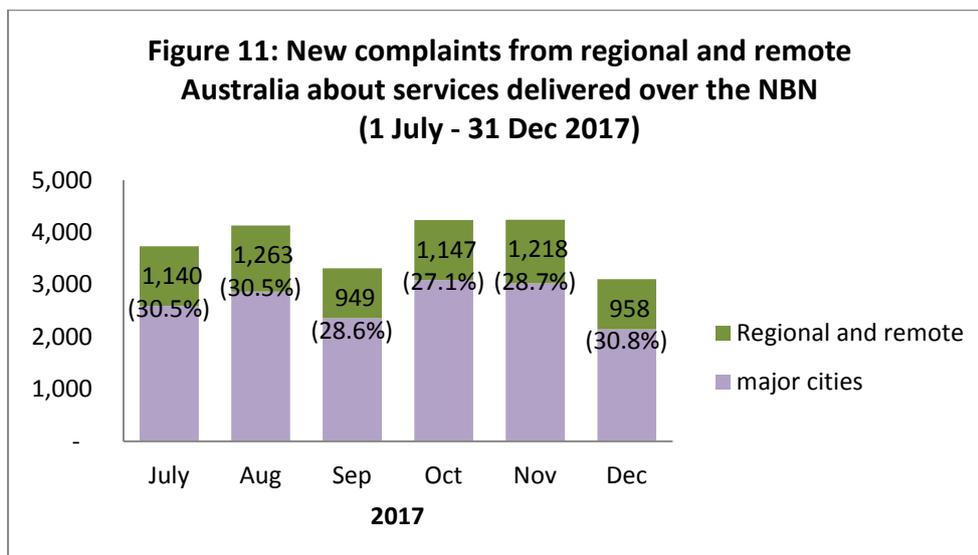
We expect greater comparisons will be able to be made over time as our new approach to recording complaints embeds.

On average, 30 per cent of all new complaints per month in July to December 2017 are from regional and remote Australia are about services delivered over the NBN (**Figure 11**).

However, when considered in the context of the NBN roll-out, services in regional and remote Australia are less than 1 per cent of the total number of new premises activated on the NBN every month.<sup>22</sup>

<sup>21</sup> ACCC, *Communications Sector Market Study Final Report* (April 2018), iii. See: [https://www.accc.gov.au/system/files/Communications%20Sector%20Market%20Study%20Final%20Report%20April%202018\\_0.pdf](https://www.accc.gov.au/system/files/Communications%20Sector%20Market%20Study%20Final%20Report%20April%202018_0.pdf)

<sup>22</sup> This percentage is based on nbn co's statistics about the total number of total new premises activated on the NBN per month.



### 4.3 Complaint issues experienced by regional and remote Australians

On 1 July 2017, the Telecommunications Industry Ombudsman changed the way it captures and records the issues consumers raise in complaints.

Our recording of the issues raised in complaints is now based on broad categories that follow the lifecycle of the residential or small business' customer relationship with their provider, including:

- establishing a service
- service delivery
- payment for a service
- customer service.

These broad categories are broken down into sub-categories to provide more detail about the issue in the complaint (**Appendix A.2**).

For this submission we have compared the relative proportion of issues in complaints from residential and small business consumers in major cities to the proportion of the same issue in complaints from regional and remote consumers.

**Figure 12** shows the issues consumers have with their telecommunications service in regional and remote locations are very similar to the issues raised by consumers in major cities.

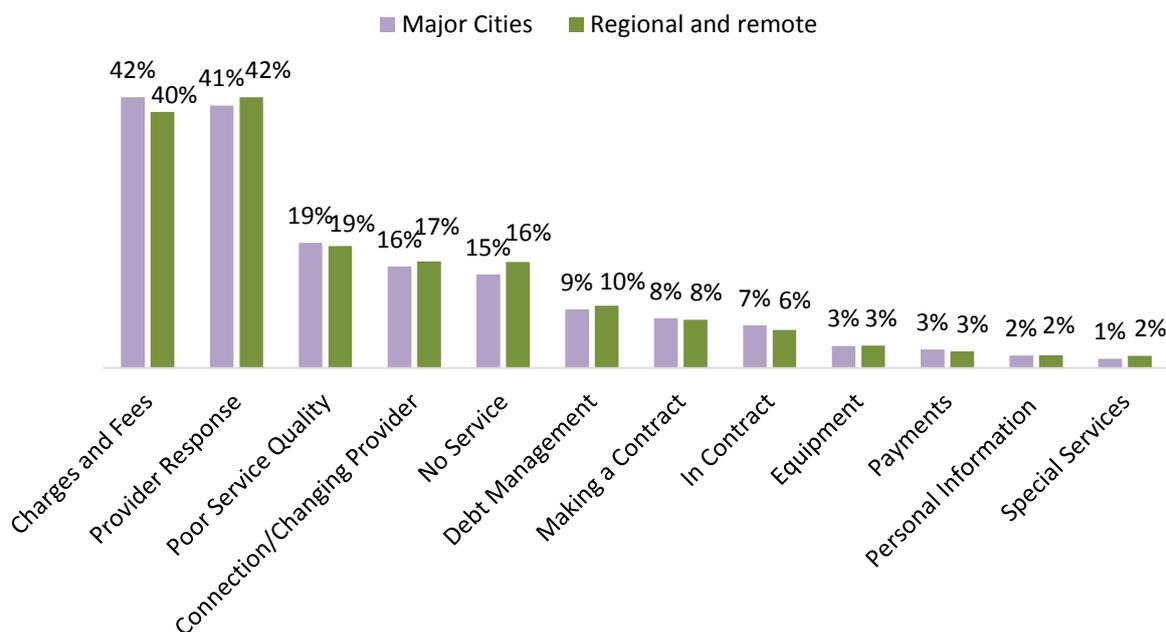
The issues that appear to have a slightly higher representation in regional and remote areas are problems with:

- poor or no response from the provider
- establishing a new connection or changing provider
- a fault that results in no service
- debt collection and credit management.

These complaints issues are linked. The reason that issues about fees and charges is the top issue in **Figure 12** is that consumers object to paying for services that are not connected or not operating at a standard they expect. For example, a consumer may experience loss of service or having no connection, and also complain as a secondary issue, about the charges applied to their account. In these cases consumers also complain to the Telecommunications Industry Ombudsman because they were dissatisfied with the provider's response.

The case extracts in Part 4.4 bring to life the challenges faced by residential and small business consumers in regional and remote Australia with respect to their telecommunications issues.

**Figure 12: Comparison of complaints issues between Australians in major cities with regional and remote locations (1 July - 31 Dec 2017)**



#### 4.4 Case study extracts illustrating the experience of consumers in regional and remote Australia

Although the complaint data shows little difference between the experience of consumers in major cities and regional and remote Australia, when we look into the case details there are themes about the particular telecommunications challenges of living and working in regional and remote locations.

These include:

1. Poor mobile coverage places greater reliance on internet services
2. There are challenges migrating to the new satellite technology on the NBN
3. Telecommunications connectivity is essential for regional and remote Australians to feel safe
4. Technician availability, reliability and expertise impacts the service delivery

These themes are inter-related in the complaints made to the Telecommunications Industry Ombudsman.

**Case extracts A and B** bring to life how a working internet service in areas of poor mobile network coverage is critical for the safety of regional and remote Australians.

##### Case extract A

A residential consumer in regional Australia complained about having no working internet service. They said this was critical because they did not have mobile reception at their rural property.

*It is vital for us to have contact with the outside world or emergency services. We need to be able to check fires near us for up to date potential threats. A few months ago there was a large bushfire in a nearby... [town]... a few kilometres from us. This can be the difference between life and death.*

##### Case extract B

A residential consumer in regional Australia lodged a complaint because they were without a working phone and internet service. Their provider had sent a temporary satellite phone, but it did not work reliably due to poor coverage at the consumer's location.

The consumer had long standing issues with connectivity at their property. They told us:

*Whenever it rains, the pit fills with water and the temporary cables have to be repaired. Many technicians have changed the cables over the years, but as it's such an expensive job.. [my provider]... has not fixed it. I understand how this is a big and expensive job for... [my provider]... but they have a legal obligation to provide us with the correct service.*

*I live in a fire danger zone, and have a family member who has a medical priority who also lives at our property... In our surrounding area we have the possibility of snakes coming on to our property. If I'm in an emergency situation I should be able to make a call for help. Due to our location, mobile phone coverage is not the greatest.*

*We have been put out by the number of times I have been asked to wait at home for a technician only to be told they can't fix the problem, and on other occasions they don't even show up... On the last call, I was transferred to at least four people and had to explain the situation over and over again with no resolution... I just want this fixed!*

Consumers in regional and remote Australia may face challenges accessing key information to help them make informed decisions about telecommunications services, particularly the NBN satellite service. These consumers turn to the Telecommunications Industry Ombudsman as a trusted source of independent information (**Case extract C**).

#### **Case extract C**

The relative of an elderly consumer in regional Australia contacted the Telecommunications Industry Ombudsman because they were not confident about information they had been given by their provider about what would happen to the existing copper connection when the NBN satellite service was connected. This was a concern for them because the elderly consumer was a priority assistance customer who had a medical alarm.

We set out the information the relative was seeking and referred the issue to the escalation department at the provider. Their concern was about available options to maintain their medical alarm and their existing priority assistance status when the NBN satellite connection was established.

Medical alarms is a common area of concern and uncertainty for consumers, especially those who are priority assistance customers.

In our 2017 submission to the CommsAlliance consultation on replacing the *Priority Assistance for Life Threatening Medical Conditions Code* with a *Guideline*, the Telecommunications Industry Ombudsman commented that adjusting the safeguards for priority assistance could be best considered as part of the telecommunications safeguards review, and in the context of associated reforms to develop a Universal Service Guarantee and the statutory infrastructure provider regime.<sup>23</sup>

The Telecommunications Industry Ombudsman also commented that continuity of existing safeguards for consumers who have, or who develop, a life-threatening illness is important to avoiding detriment to this group of consumers who are particularly vulnerable.

**Case extract D** illustrates the importance of continuity of service and the responsiveness of service providers when issues arise.

#### **Case extract D**

A primary producer in regional Australia had an NBN satellite connection installed at their property which initially worked, but then stopped working.

The consumer said the loss of service had affected their business severely and they had not been provided with an interim service. The primary producer continued paying their bills despite not having a service.

The consumer complained to the Telecommunications Industry Ombudsman because they were getting no satisfactory response from the provider. They sought restoration of

<sup>23</sup> *Telecommunications Industry Ombudsman submission to the CommsAlliance consultation on Draft Industry Guideline DR G609:2017 Priority Assistance for Life Threatening Medical Conditions* (August 2017). See: <https://www.tio.com.au/publications/submissions>

the service, and if this was not possible, a refund of the last six months payments and release from contract.

**Case extracts E, F and G** illustrate that the availability, reliability and expertise of technicians who install satellite or wireless technology on the NBN can be a source of complaint for regional and remote Australians.

#### **Case extract E**

A residential consumer in regional Australia told us they were experiencing drop outs to their internet service delivered over the NBN despite repeated technician visits.

The consumer reported that following installation of an antenna, their service was not working properly. The provider sent a technician who advised the antenna had been installed in error. In the technician's view, an antenna should never have been installed due to poor signals. Instead, the provision of a satellite service would have been more appropriate.

A second technician was supposed to attend, but did not turn up.

An NBN technician was sent and confirmed the advice of the first technician that an antenna should never have been installed in the first place.

The NBN technician referred the consumer back to their provider. As the provider appeared to be taking no action, the consumer complained to the Telecommunications Industry Ombudsman.

#### **Case extract F**

A small business consumer in regional Australia told us they recently had an NBN satellite installed at their rural property. Since installation, they had not had any satisfactory service. The consumer said:

*They [my provider] have more or less given up on us. We now have a dish on our roof, cables running down walls, holes in walls and no internet and just left to sort out ourselves. [The provider]... is still happy to send invoices which I am not paying as I have no service. I have asked ... [my provider]... to recommend a technician in the area but they don't know any so their follow up is just terrible, and I've tried to get a local technician out myself, but they won't touch it, so we are really in a terrible situation trying to run a business, please help!!*

#### **Case extract G**

A residential consumer in regional Australia told us they had been without a satellite internet and phone service delivered over the NBN for a month. The consumer has been trying to trouble shoot the problem without success.

The provider would only send out a technician if the consumer agreed to pay for the cost of the technician call out. The consumer believed this was unfair.

**Case extracts H and I** illustrate connection delays in remote Australia.

#### **Case extract H**

A residential consumer in remote Australia told us they waited nine months for a satellite internet connection and had only been able to use their internet service twice.

Their provider has acknowledged the consumer's connection needed repair, but as they live in a very remote Aboriginal land, their location was difficult to access.

The residential consumer disputed having to pay monthly charges for a service they could not use. The consumer requested their account be placed on hold until the service was repaired or for the provider to reimburse or credit the amounts already paid.

After referral to the provider, the provider advised the Telecommunications Industry Ombudsman the complaint had been resolved to the customer's satisfaction after an NBN technician visited to fix the problem and the customer was compensated for the service down time.

The current Universal Service Obligation, as supported by the Customer Service Guarantee provides an important consumer safeguard and redress mechanism for consumers.

**Case extract I: Landline connection in a remote location<sup>24</sup>**

A couple purchased a rural property as part of their plans for a life-style change. They intended to work from home and commute to the city when necessary for business. The mobile coverage at the property was poor but there was a satellite internet service. The couple wanted to install a landline service to support the business.

The couple complained to the Telecommunications Industry Ombudsman about the difficulties they were having connecting the landline service and their difficulties communicating with their provider. They said that the service was not installed four months after the scheduled start date and none of the preparatory work had commenced.

The involvement of the Telecommunications Industry Ombudsman led to the provider offering to install an interim solar satellite service. The provider undertook parallel processes of arranging the landline installation and the supply of the interim service.

The consumer complained that on two occasions technicians failed to meet appointments, leading to the postponement of business meetings. The provider explained that the technician's work could not proceed because there were parts missing from the equipment that had been supplied.

Ultimately, the provider successfully installed the landline service before the interim service was delivered. The landline was connected nine months after the order was placed. The complaint was resolved with additional credits for connection charges and a payment under the Customer Service Guarantee Standard for the delay in connecting the landline service.

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<sup>24</sup> Telecommunications Industry Ombudsman, *2016 – 2017 Annual Report*, 20-21

## Appendix A: How to understand the Telecommunications Industry Ombudsman's complaints data

This Appendix A covers:

- How we identify regional and remote Australians in this submission
- Recent changes to our approach to recording complaints
- Complaints we handle
- About us

### A.1 How we identify regional and remote Australians

We identify whether a consumer is a *regional or remote Australian* by matching:

- the consumer's postcode for the location of the premise connection that is the subject of the complaint (e.g. the premise the consumer is trying to connect their new telecommunications service to); with
- the latest version of the classification standard the Australian Bureau of Statistics (**ABS**) applies for remoteness of location.

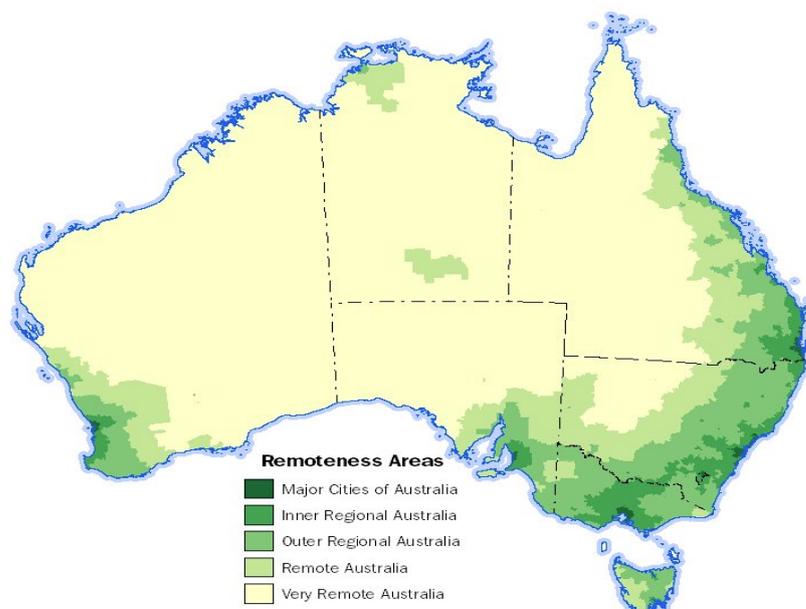
In this submission, we have applied the 2012 version of the ABS standard to our 2015 to 2017 financial year complaints data; and the 2016 version of the ABS standard<sup>25</sup> to our complaints data for the first half of financial year 2018.

The ABS divides Australia into five classes of remoteness having regard to measures of relative access to services, applying the *Accessibility and Remoteness Index of Australia* (ARIA+). This classifies locations into: major cities, inner regional, outer regional, remote and very remote areas.

As a range of remoteness classifications may apply to a particular postcode, when determining which remoteness classification should apply, the Telecommunications Industry Ombudsman applies the classification that accounts for the largest area within the postcode.

As a result, a small proportion of complaints we have classified as within a particular remoteness classification may not precisely match the ARIA+ postcode delineation for a range of reasons.

#### 2016 MAP OF REMOTENESS AREAS IN AUSTRALIA



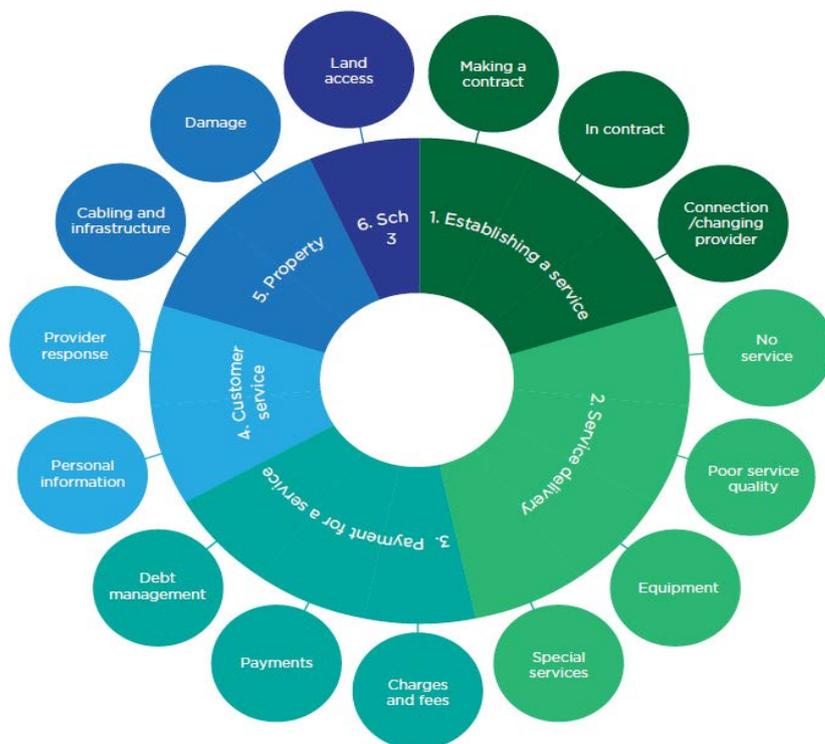
**Source:** ABS, <http://www.abs.gov.au/websitedbs/D3310114.nsf/home/remoteness+structure>

<sup>25</sup> ABS, *The Australian Statistical Geography Standard (ASGS) Volume 5 - Remoteness Structure* (cat. no. 1270.0.55.005). See: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/1270.0.55.005>

## A.2 Changes to recording complaint issues from 1 July 2017

On 1 July 2017, the Telecommunications Industry Ombudsman changed the way it captures and records the issues consumers raise in complaints.

Our recording of the issues raised in complaints is now based on six broad categories that follow the lifecycle of the residential or small business' customer relationship with their provider.



For example complaints about:

- *establishing a service – in contract* - may relate to issues about 'requesting to change the account holder' or the consumer saying they are 'not liable for the contract'.
- *service delivery – equipment* – may relate to issues about the mobile phone handset, modem or other device being 'unsuitable' or 'faulty'
- *payment for a service – charges and fees* – may relate to issues about 'mobile premium service' charges, 'technician fees' or 'roaming charges'
- *customer service – provider response* – may relate to a 'missed appointment', 'rudeness' or 'no or delayed action'.

As part of our change in recording approach, we reduced our complaint issues 'keywords' from 128 to 74 to drive greater consistency in their application and interpretation. When we record a complaint, it may involve more than one issue or 'keyword'.

We also changed our categorisation of the service delivery type for each complaint.

We now record complaints against one of five service categories: phone, mobile, internet, multiple and property.

We have a separate category for recording land access disputes.

The changes mean our complaints data will more accurately reflect the description of complaints given by residential consumers and small businesses; and make it easier to see the issues facing the telecommunications industry, helping providers improve the delivery of phone and internet services.

## A.3 Complaints we handle

The Telecommunications Industry Ombudsman handles residential and small business consumer complaints about our members.<sup>26</sup>

<sup>26</sup> As above for note 2

## A.4 About us

The Telecommunications Industry Ombudsman Ltd was established in 1993, and is a company limited by guarantee.

The *Telecommunications (Consumer Protection and Service Standards) Act 1999* requires providers in the telecommunications service supply chain to be a member and comply with the Telecommunications Industry Ombudsman scheme. This includes complying with the decisions or directions of the Ombudsman.

Members of the Telecommunications Industry Ombudsman include businesses or individuals who are carriers or provide carriage services.

*Carriage service providers* supply standard telephone services, public mobile telecommunications services or carriage services that enable consumers to access the internet, including services provided by intermediaries who arrange for the supply of these services.

*Carriers* are owners or operators of a telecommunications network unit that supplies telecommunications services to the public. A carrier must hold a licence issued by the ACMA and as a condition of that licence comply with the land access regime in the *Telecommunications Act 1997* (Schedule 3).<sup>27</sup>

The land access regime provides for the Telecommunications Industry Ombudsman to determine a landowner or occupier's dispute about a carrier seeking to enter land if the carrier has not been able to resolve the dispute. Entry onto land may be for the purposes of deploying certain types of prescribed telecommunications network infrastructure. More information about how the Telecommunications Industry Ombudsman determines land access disputes is set out in our *Guideline*.<sup>28</sup>

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<sup>27</sup> See also: *Telecommunications (Low-impact Facilities) Determination 2018*; *Telecommunications Code of Practice 2018*

<sup>28</sup> *Telecommunications Industry Ombudsman, Guidelines on the Installation and Maintenance of Low-Impact Facilities* (22 June 2018). See: [https://www.tio.com.au/\\_data/assets/pdf\\_file/0019/170623/Land-Access-Guidelines-2018-Revision.pdf](https://www.tio.com.au/_data/assets/pdf_file/0019/170623/Land-Access-Guidelines-2018-Revision.pdf)