

# 2013-2014 Annual Report



**1993 • 2013**

20 years of dispute resolution



**Telecommunications  
Industry Ombudsman**

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## About us

The TIO deals with complaints about telephone and internet services that consumers have been unable to resolve with their provider.

# About us

The TIO deals with complaints about telephone and internet services that consumers have been unable to resolve with their provider.

We are a national service for personal and small business consumers in Australia. There are no charges for consumers to use our service.

## Vision and roles

Our vision is to deliver an exceptional telecommunications dispute resolution service for consumers and service providers. We aim to contribute to better customer service and complaint handling in the telecommunications industry.

Our roles are:

- resolving disputes
- improving telecommunications services
- being an independent voice, and
- leading by example.

## 20 years of dispute resolution

The TIO was established in 1993 when the telecommunications industry was opened to competition. Providers were required to fund and become members of an Ombudsman service to resolve consumer complaints outside of courts. Since then, we have helped resolve more than 1.8 million complaints and witnessed the industry grow from three providers to more than a thousand.

In 2013 and 2014, we celebrated our 20th anniversary with a series of stakeholder and staff events. More than 150 representatives from industry, government and consumer groups attended a forum in April 2014.

Speakers looked back at the TIO's history, reflected on its current place in the telecommunications industry and discussed the future of alternative dispute resolution. Minister for Communications Malcolm Turnbull, who spoke at the forum's reception, commended the TIO on its 20-year track record.

We also held a series of roundtable meetings with service providers and consumer representatives, and produced a commemorative publication, *The History of the TIO*.

## Funding

We are a not-for-profit organisation, and charge a fee to a telecommunications company when one of its customers makes a complaint to us. Those fees cover the cost of our work in handling the complaints and our operations.

More information about the types of complaints we handle, and the fees we charge to providers, can be found on our website: [www.tio.com.au](http://www.tio.com.au)

1.8m

complaints received since 1993



# Board Chair's message

As Independent Chair of the new Board of Directors, I am pleased to report to stakeholders of Telecommunications Industry Ombudsman Limited.

There have been significant developments at the TIO in 2013-14. Not only did we celebrate 20 years of independent telecommunications dispute resolution, the members also approved the adoption of a new unitary governance framework, appointing the new Board at a general meeting in February 2014. The move to unitary governance was the final and fitting achievement of the previous TIO Board and TIO Council.

As at the date of this report, the new Board has met six times, with the first meeting immediately following the general meeting.

Establishing a new internal governance framework has been a high priority. The Board has adopted a new Charter and formed three important committees: Audit and Risk, chaired by Independent Director Jane Harvey; and Nominations and People Committees

chaired by me. Charters for all three Committees have also been approved.

The Audit and Risk, and People Committees met in May and June. The Nominations Committee, the only Board Committee to have external representation, will convene shortly to consider applicants for Board vacancies arising in February 2015. I welcome Johanna Plante, Chair of the Australian Communications Consumer Action Network (ACCAN), and John Stanton, CEO of Communications Alliance, as members of the Nominations Committee.

Significant decisions made by the Board include approval of the TIO's budget for 2014-15, approval of internal and external audit plans and endorsement of the TIO's new Privacy Policy.

The Board engages with smaller telecommunications service providers at least once every six months. For this purpose, roundtable discussions are being programmed at locations throughout Australia on an ongoing basis.

On behalf of my fellow Directors I express our gratitude for the considerable personal commitment of Directors and Council members in bringing the new

governance model to fruition. In particular, the Board recognises the contribution of my predecessor, John Rohan, who celebrated his own anniversary in 2013 marking 20 years of service to the TIO. Thanks also go to Andrew Dyer, who retired as Chair of the TIO Council on the commencement of unitary governance, as well as to all outgoing Board and Council members.

The Board acknowledges the considerable achievements of Ombudsman Simon Cohen and Deputy Ombudsman Diane Carmody, together with the executive team, in managing the TIO Scheme. We also thank the dedicated TIO staff for their contribution throughout the year.

Finally, sincere thanks go to my fellow Directors for their professionalism and diligence. I look forward to working with my Board colleagues, and the wider organisation, in 2014-15.

**Patricia Faulkner**  
Independent Chair



# Ombudsman's message

This year, TIO marked 20 years of service to the telecommunications industry and the Australian community.



In this time, we have handled more than 1.8 million complaints about landline, internet and mobile services. We have delivered on our mission of fast and fair dispute resolution, and contributed to improvements in telecommunications services.

This report includes information already published in our *Year in Review*, a new publication

where we released our key complaint trends earlier. Among these trends, we received 138,946 new complaints, fewer than at any time in the past six years.

Complaints about mobile faults including coverage, slow data speeds and call dropouts almost halved. Customer service and complaint handling concerns also reduced significantly.

These results suggest that an industry focus on infrastructure investment and customer experience, and recent co-regulatory initiatives to protect consumers, are working.

We also report for the first time on National Broadband Network related complaints. This year we received 3,982 complaints about issues such as delayed connections, unusable services and missed appointments. We have begun a trial to help retailers and wholesalers better deal with these complaints.

Our team has continued its excellent performance. Satisfaction with how we handle complaints is at 90 per cent. We improved the timeliness of our referral and conciliation services and we met or exceeded most of our performance measures. All my colleagues deserve recognition for the achievements reflected in this report.

This year we implemented a number of reforms to improve our own services, including a new Disability Action Plan, an overhaul of our privacy framework and a new intranet. We agreed

on an enterprise agreement that delivers well for staff and our organisation. Most significantly, to build the expertise of our dispute resolution officers, we launched an industry-leading Graduate Certificate in Dispute Resolution.

2014 marked the move of TIO to unitary governance, a transition that has been smooth. All governance members, both of the previous bodies and the new Board, have performed their functions with dedication and diligence. In particular, John Rohan completed almost 20 years of service to the TIO, most recently as Board Chair, leaving a substantial legacy.

In our first 20 years, the telecommunications industry has been revolutionised by new technology and new telcos. The only certainty is change. However, I am confident that the need for informal, speedy and fair dispute resolution will not change. We stand ready to provide this service, and look forward to the next chapter in our story.

**Simon Cohen**  
Ombudsman

# Governance

## New governance structure

The governance structure of TIO Limited changed on 26 February 2014 when members voted to adopt governance by a single Board. Before then, the TIO was governed by a Board and a Council.

A new Company Constitution replaced the former Articles of Association, while the previous Constitution was renamed Terms of Reference. The jurisdiction and day-to-day operations of the TIO remain unchanged.

## Role of the Board

The Board is responsible for managing the business affairs and property of TIO Limited in accordance with the Company Constitution and the Terms of Reference.

## Board composition

The Board is made up of:

- three independent directors, one of whom is also the Independent Chair
- four directors with consumer experience, and
- four directors with industry experience.

A list of Directors and their biographies is available on our website and in our Directors' Report.

## Appointment of Directors

When members voted in favour of replacing Board and Council, some Directors

and Councillors retired and others were reappointed to the new Board. Two new independent Directors (including the Independent Chair) were appointed upon the recommendation of a selection committee that included representatives from the previous Board and Council, peak industry body Communications Alliance, and consumer group Australian Communications Consumer Action Network.

## Board Committees

The Board has established the following committees to help it perform its duties and allow it to consider complex issues:

- Audit and Risk Committee: assists and advises the Board on the TIO's internal and external audit, risk and finance management frameworks.
- Nominations Committee: identifies and recommends to the Board persons to fill vacant Board positions.
- People Committee: has oversight over the remuneration of Directors and the Ombudsman, and the TIO's employment policies.

## Ethical and responsible decision making

### Conflicts of interest and personal interests

The Board maintains a register of personal interests that is reviewed at every

Board meeting. Related party transactions are listed in our Directors' Report.

We have adopted a Conflict of Interest Policy that outlines processes for employees to deal with conflict of interest issues. Under the policy, employees are expected to behave with honesty, transparency, integrity and fairness in dealing with our stakeholders, other employees and the public.

## Confidentiality and privacy

As a result of a reform of Commonwealth privacy laws, the TIO implemented a new Privacy Policy and privacy compliance program. It also gained recognition by the Privacy Commissioner as the Ombudsman to deal with privacy-related complaints in the telecommunications industry.

## Feedback about the TIO

Consumers and service providers may make formal compliments or complaints about the service they receive.

In 2013-14, we received 56 compliments about the courtesy, professionalism and timeliness of TIO officers.

We received 45 formal complaints about our service compared to 58 in 2012-13. Of those, 16 were found to be substantiated, compared to 10 the previous year.

A new Board of Directors was established on 26 February 2014

# Our 2012-2015 strategy and progress

## Resolving disputes

We aim to resolve telecommunications disputes in an accessible, independent, fair, efficient, responsive and effective way.

Achievements	Our goals	Results
<ul style="list-style-type: none"> <li>accreditation of Graduate Certificate in Dispute Resolution</li> <li>establishing more flexible teams to better manage high demand in our service</li> </ul>	<ul style="list-style-type: none"> <li>improved timeliness</li> <li>high consumer and service provider satisfaction</li> <li>low review rates</li> </ul>	<ul style="list-style-type: none"> <li>90% of new complaints referred within one business day</li> <li>88% of conciliations finalised within 30 days</li> <li>90% consumer satisfaction with complaint handling</li> </ul>

## Improving telecommunications services

We help providers to improve their services by engaging with them and identifying systemic issues.

Achievements	Our goals	Results
<ul style="list-style-type: none"> <li>Business Intelligence tool implemented</li> <li>online education modules for providers developed</li> </ul>	<ul style="list-style-type: none"> <li>timely analysis of complaint trends</li> <li>effective response to systemic issues</li> <li>high service provider satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>73 systemic interventions</li> </ul>

## Being an independent voice

We provide high-quality information that is useful to industry, the community and regulators.

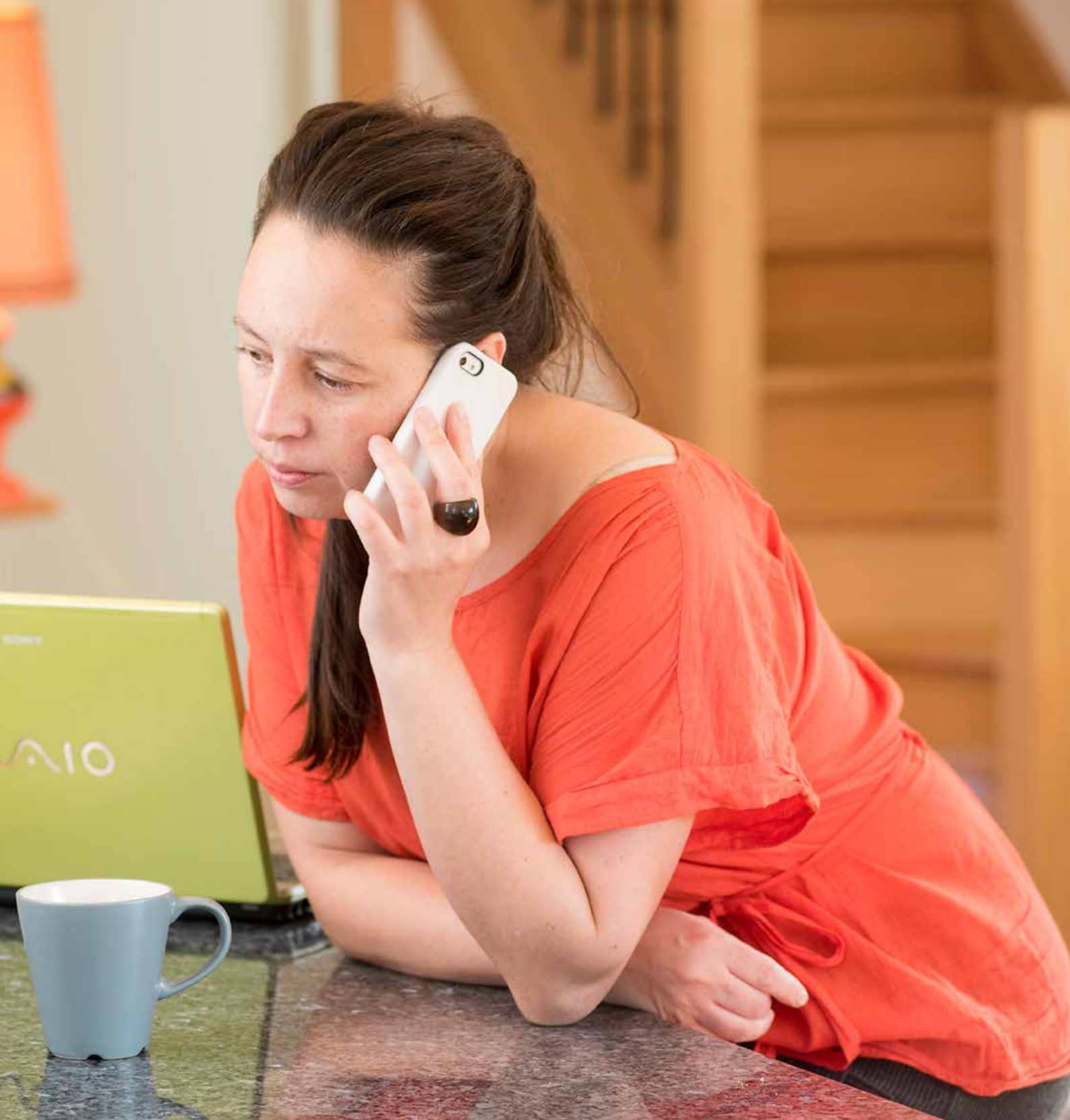
Achievements	Our goals	Results
<ul style="list-style-type: none"> <li>publication of award-winning annual report</li> <li>17 submissions to inquiries on issues affecting consumers and the telco industry</li> </ul>	<ul style="list-style-type: none"> <li>consumer awareness</li> <li>high stakeholder satisfaction</li> <li>referral of non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>57% awareness among intermediaries working with Indigenous consumers in remote areas</li> <li>97% stakeholder satisfaction with TIO relationship</li> <li>21 service providers referred to ACMA for non-compliance with the TIO</li> </ul>

## Leading by example

We are innovative, adaptable, collaborative, responsive, resilient and forward-thinking. We value our people and support their skills development.

Achievements	Our goals	Results
<ul style="list-style-type: none"> <li>2013-2016 enterprise agreement settled</li> <li>wiki-based new intranet</li> </ul>	<ul style="list-style-type: none"> <li>strong staff engagement</li> <li>delivery of key business projects</li> <li>sound financial management</li> </ul>	<ul style="list-style-type: none"> <li>89% of staff voted in favour of enterprise agreement</li> <li>deployed 41 enhancements to complaints management system</li> <li>financial results consistent with budget sensitivity analysis</li> </ul>





## Performance

We met or exceeded most timeliness targets, and consumers expressed high levels of satisfaction with our service. We worked on a number of new projects to improve our services and engage with the community and telco industry.

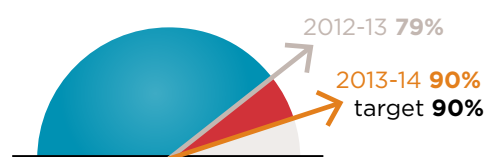
# TIO performance

## Timeliness of TIO services

### Referrals

**Our target:** to refer 90 per cent of new complaints to providers within one business day.

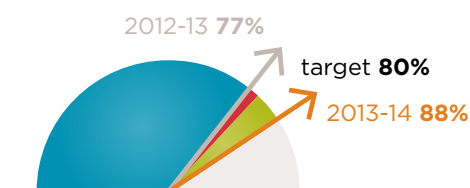
We improved our referral performance through initiatives that included reallocating officers to contact teams to increase resourcing in periods of high demand.



### Conciliations

**Our target:** to conciliate 80 per cent of unresolved complaints within 30 business days.

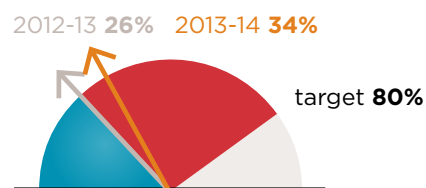
We substantially exceeded timeliness benchmarks for conciliations.



### Investigations

**Our target:** to investigate 80 per cent of complaints unresolved through conciliation within 70 business days.

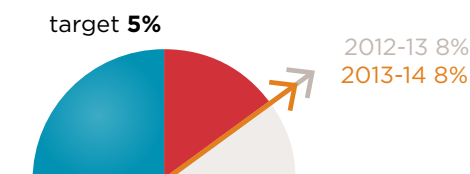
We handled 631 investigations in 2013-14. A new group of Dispute Resolution Officers and Specialists, and skills development through our Graduate Certificate program, will help us deliver more streamlined, end-to-end handling of a complaint.



### Age of complaints

**Our target:** that less than 5 per cent of open complaints are unresolved for more than 120 days.

As at 30 June 2014, 90 complaints had been open for more than 120 days. We have put in place interim benchmarks and dedicated resources to ensure this target is met in the coming financial year.

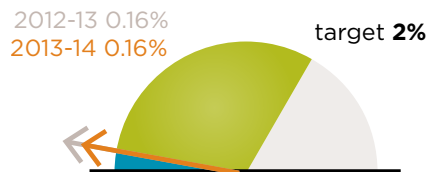


# Quality of TIO services

An increased focus on quality, including our dispute resolution qualification, should help us continue to reduce the rate of consumer and provider requested reviews by 2015.

## Reviews

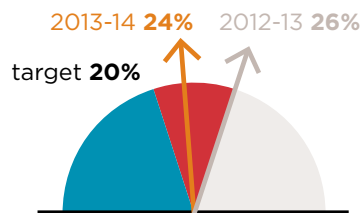
**Our target:** that consumers request a review of less than two per cent of complaints.



## Further investigation

**Our target:** that less than 20 per cent of reviews requested by consumers need further TIO work.

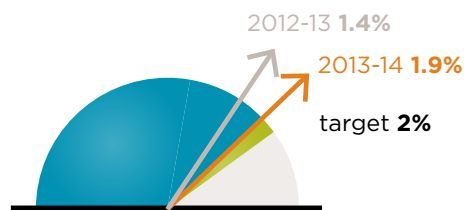
Out of 325 case review requests, 79 required further involvement. Our Review Officer provides regular feedback to Dispute Resolution officers about trends in review cases.



## Reclassifications

**Our target:** that providers request a review of less than two per cent of complaints.

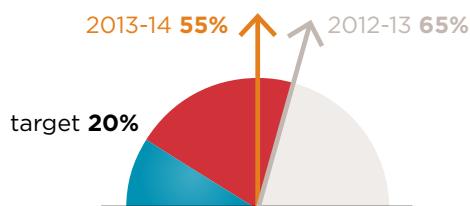
98 per cent of classification decisions were not disputed by service providers.



## Reclassifications granted

**Our target:** that less than 20 per cent of reviews requested by providers result in a complaint being reclassified.

Out of 3,826 reviews requested by providers, we reclassified 2,098. A substantial number of these reclassifications are a result of providers giving us new information which changes our view about a complaint. We are currently reviewing our reclassification process to improve how we provide this function.



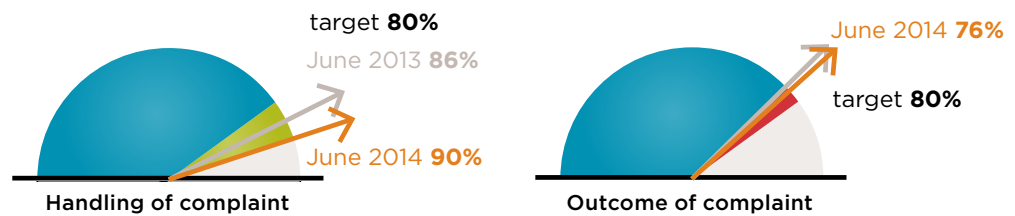
# Satisfaction with the TIO

## Consumer satisfaction

Most consumers who contacted us in 2013-14 were satisfied with our service and the outcome of their complaint.

### Satisfaction with referral

When a consumer brings a new complaint to us, we refer it back to the provider for a final chance at resolution. Most of our complaints are solved this way, and consumers are happy with this process.

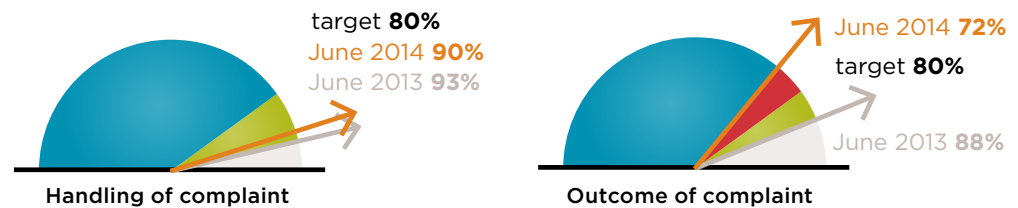


Some of the reasons why dissatisfied consumers did not return to the TIO were:

- they did not want to pursue their complaint further
- they thought the complaint wasn't worth pursuing further, or
- they did not think the TIO could help further.

### Satisfaction with conciliation

If a complaint is unresolved through referral we will work with the consumer and service provider to reach an agreement through conciliation.



Some of the reasons why dissatisfied consumers said their complaint could not be resolved were:

- infrastructure issues that were beyond the TIO's control, or
- the complaints were yet to be resolved from the consumer's perspective.

## Stakeholder satisfaction

We surveyed a sample of TIO stakeholders including representatives from government, consumer advocates, industry and the media to find out the overall level of satisfaction of stakeholders with the TIO. Among the results:

- overall satisfaction with the relationship with the TIO is strong at 97 per cent
- all stakeholders were in agreement that we are professional and courteous in our dealings, and
- 83 per cent of stakeholders rated TIO services as favourable.

Some of the suggestions stakeholders made that would improve their satisfaction of the TIO include:

- more information about possible outcomes to complaints and how long it will take for a complaint to be resolved, and
- publicly naming providers that are causing problems or attracting complaints about significant issues.

# Systemic issues

Our Industry Improvement and Systemic Issues team looks at problems that may affect a large number of consumers.

The causes of systemic issues are usually addressed quickly by alerting providers about possible problems in their systems, procedures or business practices. This results in fewer complaints to the service providers and the TIO.

If we do not believe that a systemic problem has been resolved, we may investigate the issue and then refer it to a regulator.

## Systemic issues in 2013-14

We looked into 73 systemic issues in 2013-14. This is significantly more than the 41 in which we intervened in 2012-13.

Type of intervention	No.
Informal notification	66
Informal investigation	4
Formal investigation	3
Total	73

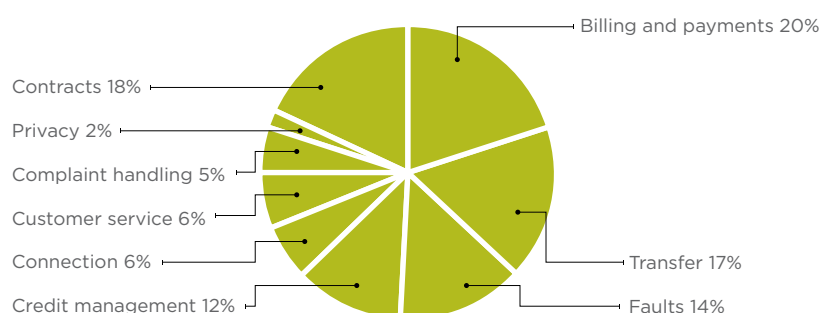
## Results of our systemic interventions

Most issues were resolved by the service provider after we brought the systemic issue to their attention. Examples of actions providers took include:

- a review of telemarketing scripts and a quality assurance program for telesales
- staff training to ensure procedures were followed
- reconnecting customers disconnected in error
- ensuring credit defaults were correctly listed
- making connection timeframes more visible to customers signing up online, and
- providing refunds

## Types of issues we looked into

- delays in landline connections and repairs
- excess mobile data usage charges
- mobile usage monitoring tools
- disputed default listings
- prepaid mobile services and direct debits
- “acceptable use” policies and “unlimited” services, and
- unauthorised transfers resulting from misleading sales practices.



## Referral to regulators

We formally referred three systemic issues to the Australian Communications and Media Authority and the Australian Competition and Consumer Commission. We also raised concerns with these bodies about another six service providers. The issues included:

- telemarketing practices
- misleading sales information
- connection delays
- compliance with requirements for disconnection notices
- direct debit practices, and
- incorrect billing.

## Addressing the causes of complaints about excess data charges

A trend in our complaints was about consumers receiving mobile phone bills that included high excess data charges.

These complaints increased by 27.2 per cent in 2013-14. Customers of several mobile providers have come to us after experiencing unexpectedly high charges for data used by apps, surfing

the internet or watching videos on their smartphone.

These complaints have become a significant theme for the industry and highlight three issues:

1. consumers are accessing the internet on their mobile phones now more than ever before
2. network speeds and coverage continue to improve, giving consumers more opportunities to use data, and
3. consumers are more aware of bill shock and are more likely to complain about a high bill if it occurs.

We have raised this issue with some providers to find out how they help customers to monitor their spending as required by the Telecommunications Consumer Protections (TCP) Code 2012. Some providers have started to make new products available at the beginning of 2014-15 and others have changed how data is charged. We will monitor trends for this issue through 2014-15 to see what impact these initiatives have on complaint numbers.

# Systemic case studies

Below are examples of two issues we looked into in 2013-14. In both cases, the actions taken by providers resulted in good outcomes for those companies and their customers.

## SYSTEMIC CASE STUDY

### Vodafone responds to concerns about Network Guarantee

The Vodafone Network Guarantee allows new customers 30 days to try the Vodafone Network. If the customer tells Vodafone they are not satisfied with the network service in their area, the contract will be cancelled. The customer is obliged to return any handset associated with the plan and pay for only what they have used.

#### Consumer concerns

Consumers told us they were having difficulty cancelling their contracts. Some said they were asked to take a number of steps before they could cancel the contract, including:

- going to a store to cancel the contract
- calling the Vodafone call centre to cancel the contract, or
- Vodafone needing to troubleshoot before it cancelled the contract.

#### How Vodafone responded

Our Industry Improvement and Systemic Issues team raised the issue with Vodafone. The company confirmed that:

- customers can cancel their contract if they have a coverage complaint within the first 30 day period
- no troubleshooting was needed to cancel a contract
- if a customer chooses to troubleshoot the problem, they can still cancel their contract as long as they report the coverage problem in the first 30 days, and
- customers can organise cancellation of their contract either in store or over the phone.

Vodafone told us it would:

- update internal resource materials for store and call centre staff about the guarantee
- update its website to make the information clearer for its customers.

#### The result

After Vodafone took the above actions, we noticed a reduction in complaints from consumers who told us they could not claim the Network Guarantee. We were satisfied Vodafone's response addressed the cause of complaint identified by the TIO.



## ALDIMobile's complaint handling

ALDIMobile became a TIO member in March 2013. After a few months, we began to receive increased complaints from its customers about services that had been restricted or disconnected without notice.

### Issues raised by consumers

Consumers told us that:

- their services were disconnected because of a breach of the company's "acceptable use" policy (AUP), which they did not know about
- they had tried, and failed, to contact ALDIMobile to make a complaint about being disconnected, and
- those who had made a complaint were unable to resolve their issue with ALDIMobile.

### What we did

We raised the issue with ALDIMobile and requested information to get a better understanding about how its AUP was enforced and what options consumers had to raise complaints.

### What ALDIMobile told us

ALDIMobile made their marketing clearer to ensure its customers understood what was considered "acceptable use". They also explained more about their business structure. The company's customer service, complaint handling and enforcement of the AUP was handled by a third party.

### Results

We were satisfied that ALDIMobile had addressed the issues with the marketing of its services, but we remained concerned about its third party provider's customer service and complaint handling practices. We reminded ALDIMobile that it was responsible for the actions of the third party company acting on its behalf, and recommended that it take a more active involvement in defining its approach to customer experience.

After making these recommendations, we noticed a 71 per cent drop in complaints made by ALDI customers between October-December 2013 and January-March 2014 (see ALDIMobile graph on page 31). Complaints have remained low since then.



# Our achievements

22

staff enrolled in the Graduate Certificate in Dispute Resolution



## Graduate Certificate in Dispute Resolution

A first-of-its-kind dispute resolution qualification has been launched by the TIO and Box Hill Institute.

The Graduate Certificate in Dispute Resolution is a nationally-accredited postgraduate qualification that builds the expertise of TIO dispute resolution staff.

The Graduate Certificate focuses on key dispute resolution, case management, communication and legal skills central to the work of our dispute resolution officers. Twenty-two TIO officers enrolled in the course and the first graduation is planned for 2015.

## Addressing high demand

We created a peak demand team to allow us to meet our service levels in times of high demand.

The team is a group of on-call, fully trained dispute resolution staff who can work at the TIO during seasons when more consumers contact us. Members of this team are also trained to manage complaints from beginning to end, whether they involve referral, conciliation or investigation.

We also created a new team formed by staff who do not directly work in dispute resolution but have the skills to take consumer complaints.

Members of this team can be moved to dispute resolution roles at short notice to deal with sharp demand increases.

## Compliance, training and recognition for new Privacy Act

Activities to ensure we comply with amendments to the Privacy Act that came into effect in March 2014 included:

- a new privacy policy
- new position statements about privacy and credit reporting complaints, and
- new representative authorisation forms.

TIO staff received training about what the amendments to the Act mean to the types of privacy complaints we handle and to ensure we comply with our privacy obligations.

Under the new laws, we were also the first industry ombudsman recognised by the Privacy Commissioner, confirming our role as the external dispute resolution body to handle privacy and credit reporting complaints in the telecommunications industry.

## Disability Action Plan

We launched our third disability action plan, which will run from 2013 to 2016. The plan includes actions such as:

- providing more opportunities for job seekers with disabilities
- establishing a “critical friends” group to give the TIO expert advice on disability issues, and
- making our complaint channels more accessible.



*Our disability action committee at the launch of the plan.*



## Meetings with consumers and providers

Ombudsman Simon Cohen met with consumer and provider representatives in a series of roundtable meetings around the country in November and December 2013. In the meetings, providers and consumers had the chance to give feedback about our service directly to the Ombudsman.

Some of the suggestions that the TIO is considering include:

- streamlined ways to deal with complaints that involve a consumer, a retail provider and a wholesale provider
- examining whether we can establish a call back service for small businesses, and
- collecting more demographic data to allow us to understand which consumers we most need to reach out to.

## An intranet for a smarter workplace

We installed a new intranet with a focus on collaboration and participation. The new wiki-based intranet allows teams to easily update the content that they are experts in and uses social media-style tools for staff to find, share and query information. Its benefits have included:

- fewer all-staff emails, making our IT systems more efficient
- better knowledge retention from complaint resolution staff, and
- increased staff participation contributing to a constructive culture.

## Financial hardship practices for industry

We facilitated conversations between service providers, consumer groups and financial counsellors that resulted in a set of principles and practices for dealing with consumers in financial hardship.

The main aim of the document is to give tools to providers, so they can help consumers in hardship stay connected to essential communications services while meeting their financial obligations.



# Awareness and outreach

## TIO in the media

We reach millions of consumers around Australia by regularly publishing information about issues that affect consumers and our complaint statistics. We were mentioned in more than 1,400 media items, and our highest potential audience was 13.7 million with the release of our Annual Report in October 2013. The Ombudsman regularly provides comment for print, online, radio and TV media.



*TIO officer Liam Moore at our stall at Yabun, Australia's biggest Indigenous culture festival.*

50



community events attended

## Publications

We published three editions of our newsletter, TIO Talks, highlighting issues such as:

- a continuing drop in consumer complaints
- mobile network coverage issues, and
- changes to privacy legislation that affect consumers.

Our Annual Report, launched in October 2013 won a Silver award in the 2014 Australasian Reporting Awards.

## Outreach

We attended more than 50 community events, conferences and meetings with consumers and their advocates throughout Australia. Highlights included joining the Australian Network on Disability and an outreach partnership between the TIO and the Energy and Water Ombudsman NSW.



## Culturally and linguistically diverse consumers

We attended Bring Your Bills days, organised by community agencies for new and emerging communities. These events give newly arrived migrants the chance to raise their concerns about utilities and services bills face-to-face, often through an interpreter.

In November 2013, we attended the biennial conference of the Federation of Ethnic Communities Councils of Australia.

We also updated our multilingual brochure to include six languages of new and emerging communities in Australia. The brochure was distributed to migrant resource centres across the country.

## Indigenous consumers

Much of our focus this year has been on developing resources to help intermediaries, such as financial counsellors, community legal centres and money management workers, to educate consumers in remote Indigenous communities about the TIO and how to access our services. This followed a survey of intermediaries to find out the best ways to communicate with Indigenous consumers and to understand the main issues they face.

In November 2013, we attended the Money Workers Association of the Northern Territory conference in Darwin and established relationships with Darwin-based Indigenous media. In January 2014, the TIO attended the Yabun festival in Sydney, one of the biggest Indigenous events in the country.

## People with disabilities

We attended Having a Say, the largest conference for people with a disability and carers. TIO officers heard feedback from delegates about making our service more accessible and provided information for consumers with complaints. The Deaf community has been a particular focus of our outreach efforts as the TIO is the external complaint handling body for the National Relay Service. We attended the National Deafness Sector Summit in Brisbane.

## Young people

We contributed to the development of teaching resources by the Australian Securities and Investments Commission (ASIC) for students aged 10 to 25. Interactive modules expose students to potential financial challenges of mobile phone use. We also presented with ASIC at the Victorian Commercial Teachers Association conference, and the Business Educators Association of Queensland conference. The resources are available for download at the teaching tab of ASIC's Moneysmart website: [www.moneysmart.gov.au](http://www.moneysmart.gov.au)

## Sponsorship

Each year we sponsor a small number of events that will improve our accessibility to disadvantaged and vulnerable consumers.

In 2013-14 these events were:

-----  
July 2013 : \$ 3,300

**National Association of Community Legal Centres conference**

-----  
September 2013 : \$ 2,200

**Financial Counsellors Association of NSW conference**

-----  
September 2013 : \$ 2,200

**Financial and Consumer Rights Council conference**

-----  
October 2013 : \$ 2,750

**Financial Counsellors Association of WA conference**

-----  
November 2013 : \$ 2,200

**Money Workers Association of the Northern Territory conference**

-----  
March 2014 : \$ 2,200

**Financial Counsellors Association of Queensland conference**

-----  
May 2014 : \$ 24,750

**Financial Counselling Australia conference**

# Our members

**1,384**  
members

By law, companies that provide telecommunications services to residential and small business consumers in Australia must be TIO members.

At the end of 2013-14, 1,384 service providers were TIO members. During the year 145 new members joined the TIO and 121 members departed.

We also assessed 211 entities as potential members, of which 19 were referred to the Australian Communications and Media Authority for not becoming TIO members.

A list of current TIO members can be viewed on our website.

## Engaging industry

Our Industry Engagement team gives service providers an access point to find out about our services and processes, and raise issues or concerns. The team also raises unusual complaint trends with providers. We seek to understand the reasons for and response to these trends, and offer advice where appropriate.

In 2013-14, Industry Engagement advisers met with 72 different providers to help build their understanding of industry regulations and TIO processes, provide advice, help resolve issues and answer questions. We contacted another 111 providers at the time of their first complaint to answer any questions, and give information and advice about dealing with complaints.

## Member Online Education

We are developing three easily accessible online learning modules for service providers. The modules will be released in late 2014 and include information about the role of the TIO and best practice complaint handling. The modules include:

- **Introduction to the TIO**  
General information about the TIO that will be helpful for new providers and new complaint handling staff at existing providers.
- **TIO Complaint Handling Procedures**  
How to handle a TIO complaint from referral through to investigations.
- **Best Practice Complaint Handling**  
Practices and strategies to help providers to deal with complaints the first time.



# Research and submissions

One of the ways we fulfil our role of being an independent voice is by making recommendations to public inquiries or reviews about issues that affect telco consumers and providers.

We also contribute to improving telco services in Australia by offering our views on these issues to regulators and telecommunications industry groups.

We made 17 submissions in 2013-14 with recommendations for:

- the review of the Mobile Premium Services Code
- changes to Privacy legislation, and
- deregulation initiatives in the telco industry.

A full list of submissions is available on our website.

# 17

submissions to government and industry inquiries



## CASE STUDY

### Productivity Commission's Access to Justice Inquiry

We made submissions in our own right and as part of the Australia and New Zealand Ombudsman Association (ANZOA) to the Productivity Commission's inquiry into access to justice in Australia. The inquiry sought to find out the cost and effectiveness of the different options Australians have to resolve civil disputes. Our submission focused on our role in the telecommunications industry, the number and types of complaints we receive and the accessibility of our service. We recommended that referral to industry ombudsman schemes for appropriate disputes should be mandatory.

In its draft report, the Productivity Commission said industry ombudsman services were a cost-effective alternative to courts and "could significantly reduce the level of unmet legal need." It recommended that to increase the visibility of ombudsman services, industries should be required to tell dissatisfied customers about their existence and proposed a common registry of government and industry dispute resolution services.



# Our people

We had 242 employees (excluding agency staff) at 30 June 2014 compared to 238 at the same time in 2013.

## Gender equality

We have a balanced and supportive workplace, as shown by gender equality indicators reported to the Workplace Gender Equality Agency in 2014.

### Gender composition

TIO workforce	F	M
Management	53%	47%
Non-managers	50%	50%

### Governing bodies

The Board of TIO Ltd has six female Directors (including the Independent Chair) and five male Directors.

### Remuneration

On average, women at the TIO earn 1.9 per cent more than their male colleagues, in both management and non-management positions. This compares to the national average, where women earn 17.1 per cent less than men.

## Flexible work

We provide:

- up to 16 weeks' paid parental leave for primary care givers and one week for secondary carers, on top of government entitlements
- flexible work options to staff where business needs allow this, and
- breastfeeding facilities.

## Occupational health and safety

In compliance with the *Occupational Health and Safety Act 2004 (Vic)*, the Ombudsman and Board of TIO Ltd have established a Workplace Health and Safety Policy and Procedures Manual to ensure the safety and wellbeing of staff, contractors and visitors. A health and safety committee meets regularly to discuss, review and feed back to our Executive team and Board about any potential health and safety issues in the office.

Other activities to care for our staff include:

- regular desk and office assessments to ensure the workplace is safe
- a year-round health and wellbeing program with 11 events that included seminars for staff on mental health, healthy eating, and physical activity in 2013-14, and
- an employee assistance program that staff or their immediate family can access for free if they need to talk to a mental health professional for any work or non-work related issues.

Women earn  
**1.9%**  
more  
than  
men



We have a Return to Work Coordinator responsible for helping injured staff return to work as soon as it is safely possible.

## Study assistance

We supported 10 staff in 2013-14 to undertake tertiary studies in fields related to their work at the TIO, including Business, Law, Arts and Information Technology. We also awarded scholarships to two staff members, one to undertake studies in management and another to attend the Australian Competition and Consumer Commission conference in July 2013.

**50/50**

Gender balance  
in non-  
management roles



# Statistics

We received 138,946 new complaints, the lowest result in six years. Among the reasons for this are improved mobile infrastructure, improved telco customer service and a new industry code.

# Statistics

## Dashboard — 2013-14 at a glance

Financial year	New complaints	Conciliations	Investigations		Enquiries
			Level 3	Level 4	
2010-11	197,682	17,863	2,415	357	39,928
2011-12	193,702	19,358	401	41	53,131
2012-13	158,652	15,928	471	10	47,016
<b>2013-14</b>	<b>138,946</b>	<b>15,773</b>	<b>522</b>	<b>1</b>	<b>43,857</b>
% change*	-12.4	-1	10.8	-90	-6.7

\*Change from 2012-13 to 2013-14

### New complaints

Disputes that consumers bring to us for the first time after being unable to resolve them with their provider.

### Conciliations

Cases that are not resolved by referral, and where the TIO conciliates the outcome.

### Investigations

Cases that require further investigation including where the TIO provides advice about a fair outcome, or makes a decision or a direction.

### Enquiries

Cases we cannot deal with directly because they are outside our powers or were not raised with the provider.

**138,946**  
new complaints

↓ **28%**

Fault issues across all service types decreased 28.4 per cent for reasons including **more investment in mobile infrastructure**.

↓ **12%**

This year, new complaints decreased more than 12 per cent, our lowest number of new complaints in six years.

**We recorded fewer new complaint issues in most categories.**

The complaint decrease is largely due to fewer new complaints about mobile coverage and significantly fewer customer service issues.

↓ **21%**

More than half of all complaints — 73,518 — were from mobile users, however **new complaints about mobile services decreased by 21.2 per cent on last year.**



**New complaints about mobile coverage decreased by 54.6 per cent, to 11,708 in 2013-14 from 25,789 in the previous year.**

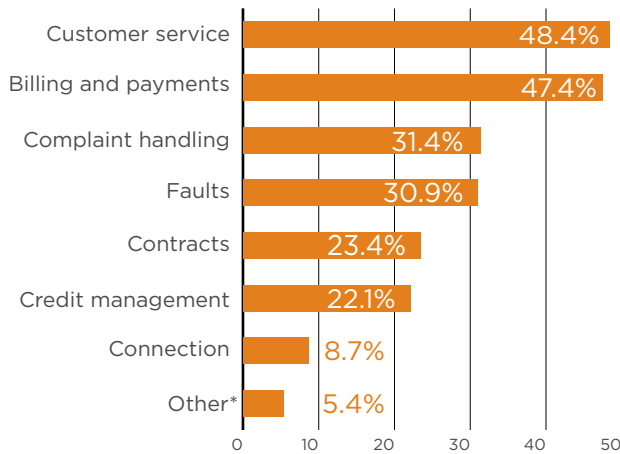


Note: the data in this report does not reflect credits or adjustments made after billing periods as a result of any case reclassifications.

Detailed statistics by provider and total issues are available at [www.tio.com.au/publications/statistics](http://www.tio.com.au/publications/statistics)

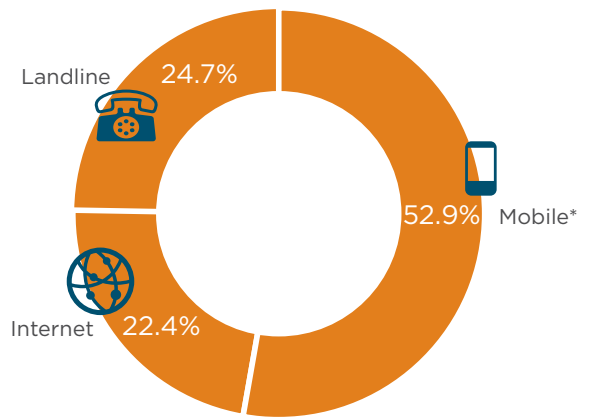


### Issues raised in new complaints



\* Includes: transfer, privacy, directories, land access, disability, phonecard and payphones.

### New complaints by service type



\* Includes Mobile Premium Services.

Note: most new complaints made to the TIO include two or more different issues.

# ↓0.9%

New complaints about internet services decreased by 0.9 per cent to 31,148 from 31,431 in 2012-13.

# ↑1%

New complaints about landlines increased slightly due to the growth in landline service connection issues. This is despite ACMA figures showing that fixed line telephone services decreased by 1 per cent and the number of mobile phone users without a home landline increased by 18 per cent.



New internet and landline connection issues up by a third. Landline service connection issues increased by 34.3 per cent and internet connection issues rose by 32 per cent.



As in previous years, new complaints by personal consumers made up the vast majority of cases — 88.4 per cent.

Small business complaints made up 11.3 per cent, and 0.3 per cent were complaints by government and charity organisations.

# ↑27%

Excess data charges (a billing and payments issue) took over from mobile coverage to become the top substantive complaint issue.

New complaints about excess data charges rose by 27.2 per cent, to 14,534 in 2013-14.

The jump in complaints about excess data charges comes at a time of increased mobile internet service use and improved networks and devices that have enabled consumers to download data much more quickly.



Telstra, Optus and Vodafone account for 77.7 per cent of all new complaints. Vodafone and Optus recorded substantial decreases in 2013-14.

# Top trends



## New complaints decrease more than 12 per cent

The TIO received fewer complaints in 2013-14 than in any of the past six years. We received 138,946 new complaints in 2013-14, a reduction of 12.4 per cent on last year. Reductions in the number of complaints about poor mobile coverage and inadequate customer service were the key drivers behind the result.

More than half of new complaints in 2013-14 — 73,518 — were about mobile services. Significantly, complaints about mobile services have decreased by more than 20 per cent from 93,281 in 2012-13.

## Top issues decrease

We recorded fewer new complaint issues in 2013-14, including in the categories of complaint handling, contracts, credit management and faults.

Customer service issues decreased 20.7 per cent due to fewer complaints about inadequate help, incorrect information and broken promises. This improvement reflects greater focus by telcos on customer care.

Billing and payments issues decreased slightly by 2.5 per cent as a result of fewer complaints about problems such as bills not being received or being delayed, and fewer disputed early cancellation fees.

## Mobile coverage and fault complaints reduce by half

In mobile services, a 54.6 per cent reduction made coverage issues drop to fifth place after being the most reported problem in 2012-13.

We received 11,708 complaints about coverage in 2013-14 compared to 25,789 the previous year. Above coverage complaints were reports of inadequate help, incorrect information, broken promises and disputed excess data charges.

The reduction in mobile coverage complaints comes at a time of significant investment by telcos in 4G mobile networks.

There was a 58 per cent reduction in mobile coverage issues about Vodafone (from 19,407 in 2012-13 to 8,143 in 2013-14), and a 60.7 per cent decrease in mobile coverage issues for Optus (from 4,130 in 2012-13 to 1,623). In 2013-14, issues about Telstra's mobile coverage decreased by 19 per cent (from 1,876 in 2012-13 to 1,526).

Overall, complaints about mobile faults — which include coverage, equipment faults, call dropouts, slow data speed and services disconnected in error — almost halved, decreasing by 47.8 per cent from 46,851 in 2012-13 to 24,469. New complaints about slow data speed dropped by 62 per cent, and complaints about call dropouts decreased by 60.9 per cent.

# Top trends

## Excess data charges becomes the top core complaint issue

In 2013-14, there was a 27.2 per cent increase in complaints about excess data charges. Excess data charge complaints are now the most common core TIO complaint issue (core complaint issues exclude customer service and complaint handling issues).

This year, there were 14,534 issues reported about excess data charges, up from 11,429 in 2012-13.

Most of these complaints (12,583) were about excess data charges on mobile services.

Excess data charges are the number one mobile issue for metropolitan consumers.

Significant billing amounts were often in dispute, with half of all complaints about excess data charges involving a disputed amount of more than \$440.

We handled 56 cases from consumers disputing charges of between \$10,000 and \$50,000. (See the case study on page two as an example).

Seven complaints involved amounts greater than \$50,000. The highest excess data amount a consumer disputed was \$76,103.

The increase in complaints about excess data charges comes at a time of increased use of data services on mobile devices and networks, and ongoing improvements to mobile networks and devices that allow consumers to download data more quickly.

## Fewer international roaming complaints

While excess data complaints have increased, complaints about roaming issues dropped by 35 per cent to 1,253 in 2013-14 from 1,926 in 2012-13. Half of the complaints involved disputed amounts of more than \$880. This is a more positive picture than 2012-13, where the median amount in dispute was \$1,200. There are numerous factors behind the reduction in both roaming complaints and the amount in dispute — more savvy consumers, the International Mobile Roaming Standard and new roaming plans.

A significant number, though, involved large sums — 53 complaints involved disputed amounts greater than \$10,000. In the most serious case, where a consumer's phone was stolen while he was travelling in Europe, the billing amount in dispute was more than \$571,000.

## Reduction in complaints about financial over commitment

New complaint issues about high bills arising from providers not helping consumers manage their spending or notifying them of high usage reduced by 22.7 per cent from 14,433 in 2012-13 to 11,154 in 2013-14.

This improvement occurred at a time when new rules in the Telecommunications Consumer Protections Code in 2012 have required providers to send usage notifications at 50 per cent, 85 per cent and 100 per cent for included value plans.

## Telcos take TIO complaints seriously

Providers responded quickly and effectively when we referred complaints to them. Less than one per cent of our cases had to be progressed further for non-response. The number of cases progressed for non-response almost halved, from 1,791 in 2012-13 to 992 in 2013-14.

Almost 90 per cent of consumers we referred to their telcos did not return to the TIO for more help. The proportion of cases that could not be resolved with a TIO referral and needed to be conciliated by the TIO remained unchanged at a little more than 10 per cent.

## Fewer broken promises

The TIO received 32,395 new complaints where consumers told us their provider had failed to act on a promise. This is an 8.5 per cent decrease from 2012-13.

Acting on commitments made to consumers and keeping promises is key in making sure consumers are satisfied with a response to a complaint, and don't unnecessarily approach the TIO.

## Extended time limits

The time in which to make a complaint to the TIO changed from 1 July 2013, allowing consumers to raise complaints that they had become aware of two to six years ago. This allowed 359 consumers to complain to the TIO, where they previously would not

have been able to. These consumers included some facing credit default listings.

## New internet and landline connection issues up by a third

According to the latest figures from the Australian Communications and Media Authority (ACMA), released in December 2013, the number of fixed-line telephone services decreased by one per cent and the number of mobile phone users without a home landline increased by 18 per cent. Despite this, complaints about landlines increased slightly due to the growth in landline new service connection issues, which increased by 34.3 per cent. There was also a 32 per cent increase in issues about internet connections. The connection issues come at the time of an increased roll out of the National Broadband Network (NBN). See our NBN report on page 32.

## Enquiries

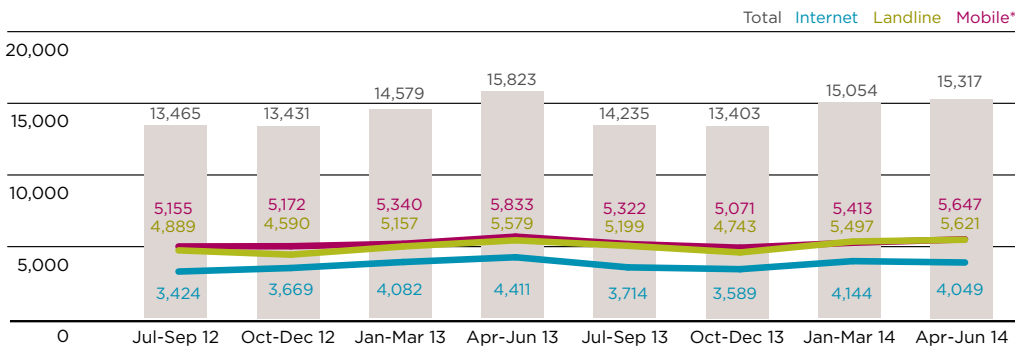
There was a 6.7 per cent reduction in the number of enquiries to the TIO in 2013-14.

Enquiries about pay TV services dropped 16 per cent, and enquiries about equipment that was not part of a contract dropped by 11 per cent.

# Top 10 providers

Telstra, Optus and Vodafone accounted for 108,029, or 77.7 per cent of all new complaints, with Vodafone and Optus recording substantial decreases on the previous year.

## Telstra new complaints by service type



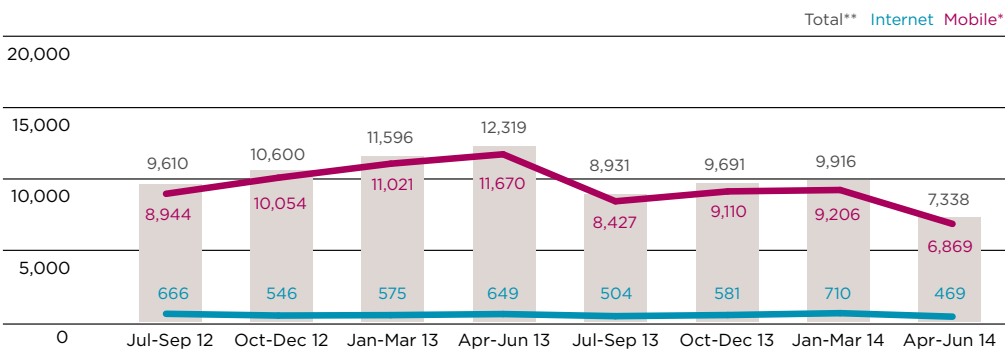
\*Mobile includes MPS

	2012-13	2013-14	Change
<b>Total Telstra new complaints</b>	57,298	58,009	1.2%
<b>Top three new complaint issues</b>			
Disputed bills	7,223	7,139	-1.2%
Poor contract information	5,289	5,853	10.7%
Excess data charges	2,899	4,492	54.9%

New complaints about Telstra increased 1.2 per cent to 58,009 in 2013-14 compared to 57,298 in 2012-13. While new complaints about mobile and internet services decreased slightly, new complaints about Telstra's landline services increased by 4.2 per cent (from 20,212 to 21,060 in 2013-14).

While there is a slight year-on-year increase in the total number of new complaints, Telstra has advised its total services in operation increased by almost one million during 2013-14.

## Vodafone new complaints by service type

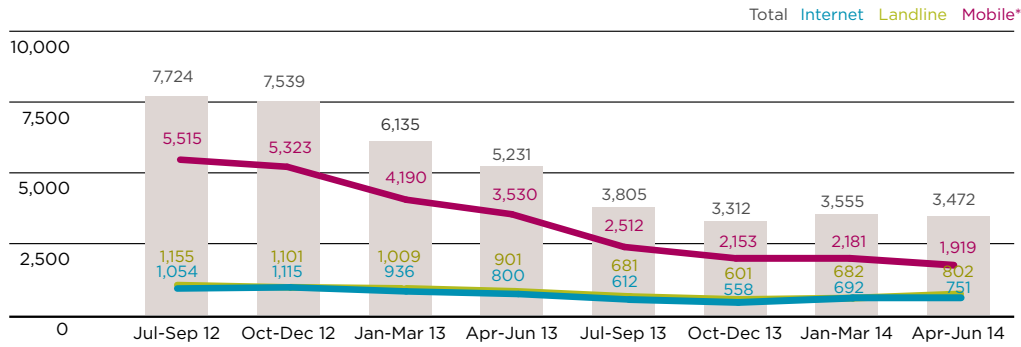


\*Mobile includes MPS \*\*Includes complaints for 3 and Crazy John's

	2012-13	2013-14	Change
<b>Total Vodafone new complaints</b>	44,125	35,876	-18.7%
<b>Top three new complaint issues</b>			
Coverage	19,407	8,143	-58%
Excess data charges	5,423	7,317	34.9%
Poor contract information	3,139	4,398	40.1%

Vodafone had 35,876 new complaints in 2013-14, a drop of 18.7 per cent from 44,125 in 2012-13, largely due to fewer coverage complaints. New complaints about mobile services decreased by 19.4 per cent from 41,689 in 2012-13 to 33,612 this year.

## Optus new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14	Change
<b>Total Optus new complaints</b>	26,629	14,144	-46.9%
<b>Top three new complaint issues</b>			
Coverage	4,130	1,623	-60.7%
Disputed bills	3,136	1,370	-56.3%
Poor contract information	3,249	1,296	-60.1%

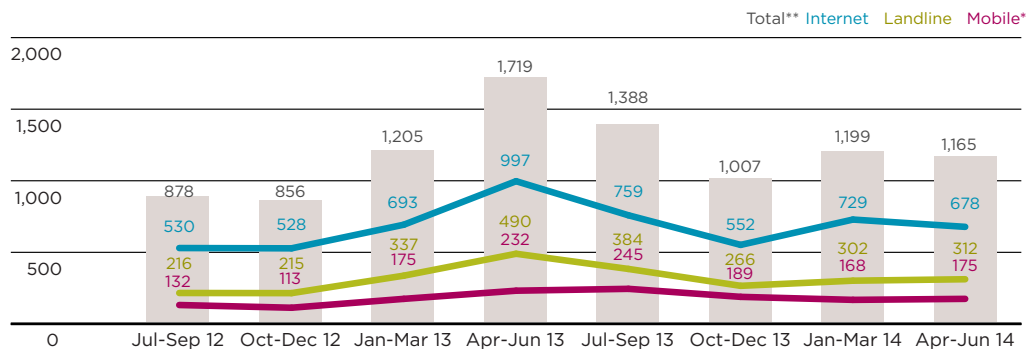
New complaints from Optus customers decreased by almost half (46.9 per cent) to 14,144 in 2013-14, from 26,629 the previous year. It is the second year in a row in which its complaints have decreased.

While internet and landline complaints from Optus customers both decreased by a third, it was new complaints about mobiles that went down the most, by 52.8 per cent (to 8,765 this year from 18,558 in 2012-13).

## Providers with 1,000–10,000 new complaints

Five providers — TPG, Virgin, Dodo, iiNet and iPrimus — received between 1,000 and 10,000 new complaints. These providers made up 11.2 per cent of TIO new complaints in 2013-14. We received 15,529 new complaints for providers in this band in 2013-14, down from 17,441 in 2012-13.

## TPG new complaints by service type

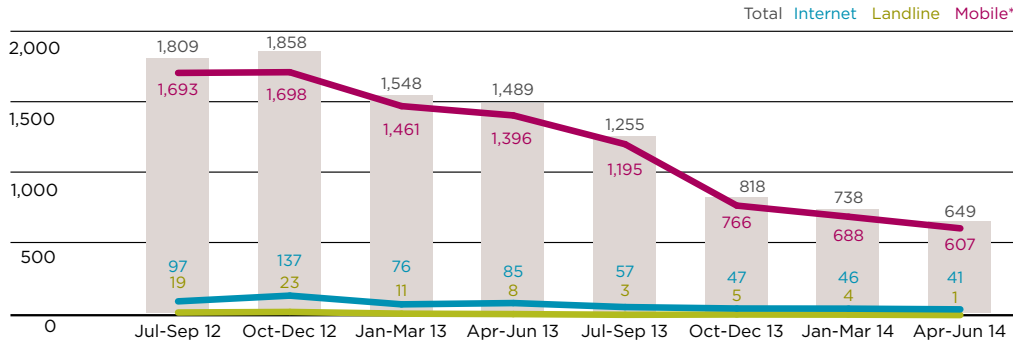


\*Mobile includes MPS \*\*Includes complaints for Soul.

	2012-13	2013-14
Total TPG new complaints	4,658	4,759

# Top 10 providers

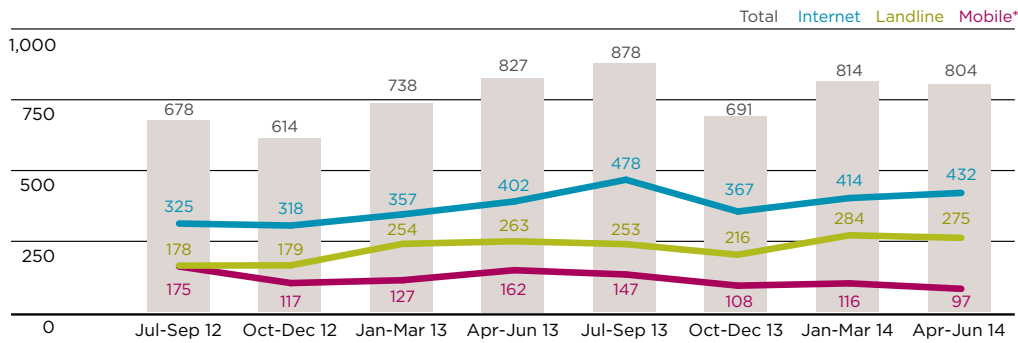
## Virgin new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14
Total Virgin new complaints	6,704	3,460

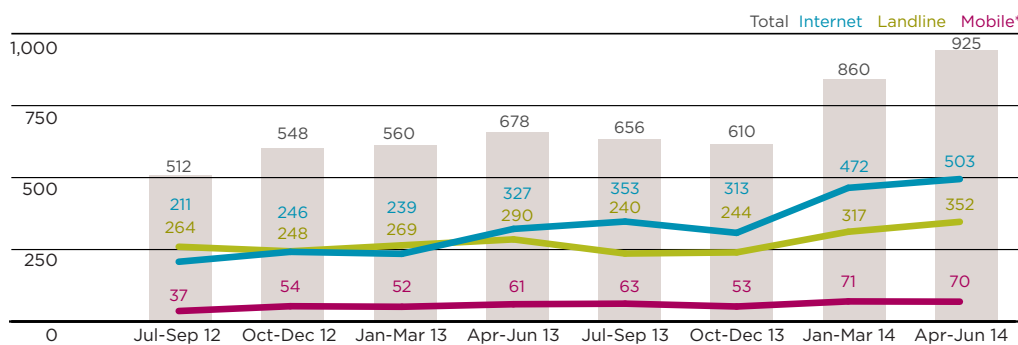
## Dodo new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14
Total Dodo new complaints	2,857	3,187

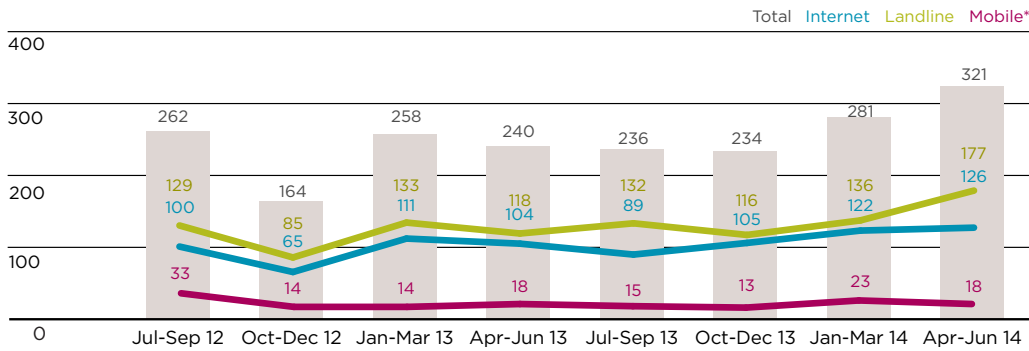
## iiNet new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14
Total iiNet new complaints	2,298	3,051

## iPrimus new complaints by service type



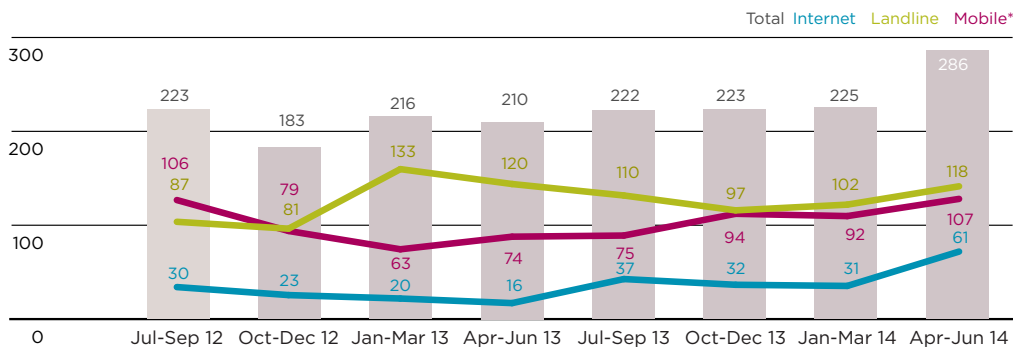
\*Mobile includes MPS

	2012-13	2013-14
Total iPrimus new complaints	924	1,072

## Providers with 25-999 new complaints

New complaints for providers in the 25-999 complaints band made up 10.1 per cent of all cases. We received 14,064 complaints from these providers, up from 13,426 in 2012-13.

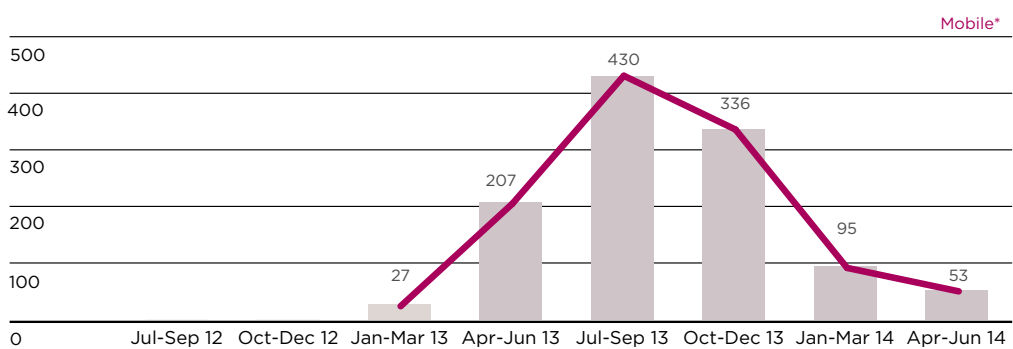
## Southern Phone new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14
Total Southern Phone new complaints	832	956

## ALDImobile new complaints by service type



\*Mobile includes MPS

	2012-13	2013-14
Total ALDImobile** new complaints	235	915

\*\*ALDImobile became a member of the TIO on 1 March 2013

# NBN report

Increasing National Broadband Network (NBN)-related matters have been a trend in 2013-14, reflecting the expanded rollout of the network. We received 3,982 new complaints about NBN-related matters, with common issues including connection delays, faults and missed appointments.

NBN service complaints can be complex. Ordering and connecting a new NBN service can require a number of appointments and interactions. Installing NBN infrastructure can also be complex, and when things go wrong it can take time to get connections back on track.

## Our approach to complaints

NBN matters can include complaints recorded to retailers of services delivered over the NBN or directly against NBN Co, which is the wholesaler of services.

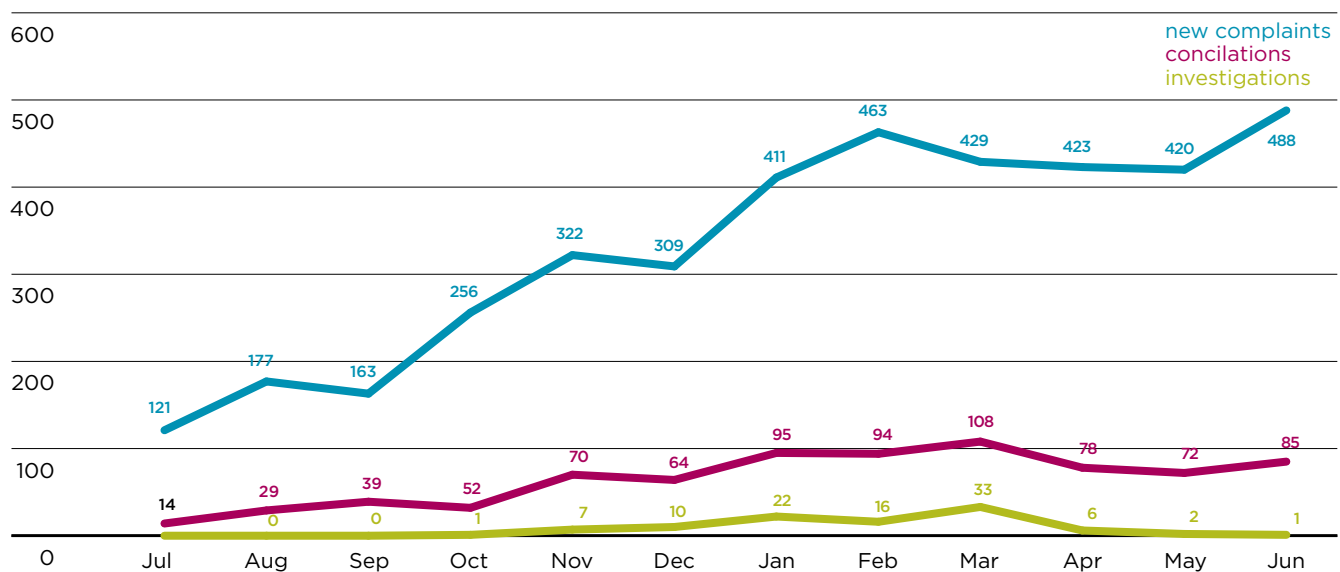
The majority of new NBN-related complaints (3,925 or 98.6 per cent) were raised about more than 50 different retail services providers. Only 57 complaints (1.4 per cent of new NBN-related complaints) were recorded to NBN Co, and were most likely to be about damage to a consumer's property by an NBN Co technician or contractor.

## Complaints on the increase

NBN matters increased over the year for a total of 3,982 new complaints, 800 conciliations and 98 investigations. This increase comes at a time of substantial growth in the rollout of the NBN (see table on page 33).

These complaints are more likely to be complex and require conciliation or investigation — 22.3 per cent of new NBN-related complaints later needed to be conciliated because they were unresolved (as against the average progression rate of 10 per cent). Of these conciliated cases, 12.3 per cent progressed to a TIO

## NBN complaints by month





investigation (as against the average progression rate of 2.7 per cent).

We also recorded 1,067 NBN-related enquiries. A significant part of these (364) were from consumers seeking advice about how and where to make a complaint about an issue they were experiencing.

NBN-related new complaints represented 2.9 per cent of all TIO new complaints and 5 per cent of conciliations in 2013-14. However, they represented 18.8 per cent of TIO investigations.

## What consumers told us

The main issues that consumers reported are about NBN connection problems and faults:

- delays in new connections (internet: 1,122 issues; landline: 783 issues)
- fully unusable services (internet: 325 issues; landline: 426 issues), and
- missed connection appointments (internet: 273 issues; landline: 275 issues).

## NBN complaints in context

While NBN matters made up 2.9 per cent of all our new complaints, they accounted for:

- 22.8 per cent of delayed new internet connection issues and 22.8 per cent of new landline connection issues
- 5.8 per cent of fully unusable internet issues

and 10.3 per cent of fully unusable landline issues, and

- 40.9 per cent of missed internet connection appointments and 37.9 per cent of missed landline connection appointment issues.

Consumer reports fall within two themes that point to the cause of these complaints:

1. communication breakdown, e.g.: the consumer told us the provider did not inform them about a cancelled appointment, while the provider may say that they did not receive enough notice from NBN Co, and
2. availability information not matching consumers' circumstances, e.g: while a consumer could see online that the NBN was available at their address, when a technician came out to connect a service, they discovered that other work was needed, such as replacing old conduit between the street and the consumer's home.

In these cases it has been common for consumers to tell us they are uncertain about who should respond to their complaint, and that they have contacted both NBN Co and their provider.

## What we are doing

Following conversations with NBN Co and a number of retail providers, we have begun a trial to find ways to deal efficiently with complaints where the retailer and wholesaler may be involved. As part of the trial:

- TIO has set up a specialist NBN team of dispute resolution staff
- members of this team will ensure we have the right information to resolve the issue, and
- we will consider bringing retailers and wholesalers into a conciliation to deal with the complaint as quickly as possible.

We have also raised these issues with providers from a systemic point of view. Among the problems we have raised with providers are:

- copper services disconnected before NBN services were connected, and
- consumers charged for NBN services before they had been connected.

We will report on the results of this trial and update on complaint statistics in 2014-15.

**3,982**  
new NBN-related complaints



**1,067**  
NBN-related enquiries

NBN rollout 2013-14	Jun 2013	Jun 2014
Premises passed	282,799	694,088
Premises activated	70,100	210,628
Activation run monthly run rate*	7,065	15,551

\*Number of premises activated in the month (Source: NBN Co.)

# Complaints by state and region

## Our complaint categories

**Complaints about coverage** include issues such as:

- inability to make or receive calls or SMS, or to access the internet
- call dropouts
- poor voice quality, and
- calls ending unexpectedly.

**Complaints about excess data charges** include issues about charges applied to consumers for data usage above the data allowance that forms part of the included value in their plan.

**Complaints about disputed bills** include issues about an unusually high bill where the cause is not clear, or where multiple aspects of the bill are in dispute.

**Complaints about poor contract information** include issues about the adequacy or accuracy of advice provided at the point of sale about the product or terms associated with the contract including the price or type of equipment.

**Complaints about disputed service charges** involve the imposition or calculation of service charges on a consumer's account — including monthly access fees, line rental and recurring charges for enhanced features.

In 2013-14, we have included complaints by region — major cities, regional areas and remote areas — using Australian Bureau of Statistics (ABS) data, to better identify the types of issues impacting on consumers across Australia.

The problems that consumers most often reported to us — city and country — were customer service and complaint handling. Usually these are secondary to the core issues that led to consumers' dissatisfaction.

New mobile complaints topped complaints about landline and internet in every state and city, regional and remote area, except for Tasmania. In Tasmania, there were more new complaints about landline than mobile services.

In major cities, the number one mobile issue for consumers was excess data charges. Across all service types, the top issues in new complaints for major cities were:

1. excess data charges
2. poor contract information
3. disputed bills, and
4. coverage.

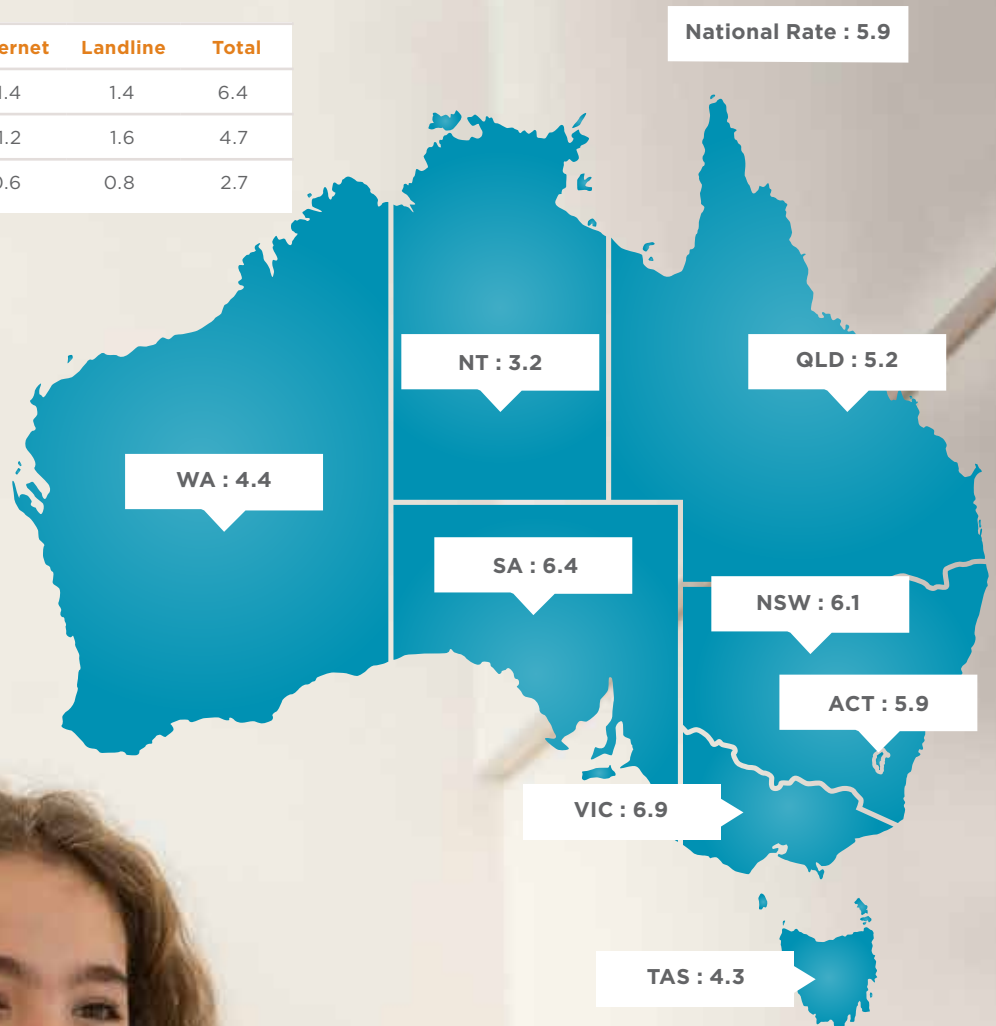
For both regional and remote areas, we received more complaints about mobile coverage than excess data charges. More generally, across all service types in 2013-14:

- for regional areas, the top issues in new complaints were disputed bills, poor contract information, disputed service charges and coverage, and
- in areas classified as remote, the top issues were disputed bills, coverage, poor contract information and excess data charges.

	New complaints per 1,000 people	Total new complaints	Top issue
<b>Victoria</b>			
Major cities	7.4	29,963	Excess data charges
Regional	5.3	6,860	Disputed bills
Remote	4.8	21	Disputed bills
<b>Total</b>	<b>6.9</b>	<b>36,844</b>	
<b>South Australia</b>			
Major cities	7.0	8,142	Poor contract information
Regional	4.8	1,793	Disputed bills
Remote	3.6	199	Coverage
<b>Total</b>	<b>6.4</b>	<b>10,134</b>	
<b>New South Wales</b>			
Major cities	6.5	33,359	Excess data charges
Regional	4.9	8,343	Disputed bills
Remote	3.1	89	Disputed bills
<b>Total</b>	<b>6.1</b>	<b>41,791</b>	
<b>Australian Capital Territory</b>			
Major cities	5.9	2,101	Disputed bills
<b>Queensland</b>			
Major cities	5.7	15,416	Poor contract information
Regional	4.5	6,817	Disputed bills
Remote	2.5	266	Disputed bills
<b>Total</b>	<b>5.2</b>	<b>22,499</b>	
<b>Western Australia</b>			
Major cities	4.7	7,892	Disputed bills
Regional	3.7	1,393	Disputed bills
Remote	2.8	424	Coverage
<b>Total</b>	<b>4.4</b>	<b>9,709</b>	
<b>Tasmania</b>			
Regional	4.3	2,104	Disputed bills
Remote	5.3	36	Contract termination fees
<b>Total</b>	<b>4.3</b>	<b>2,140</b>	
<b>Northern Territory</b>			
Regional	4.2	497	Disputed bills
Remote	2.0	191	Coverage
<b>Total</b>	<b>3.2</b>	<b>688</b>	

## New complaints per 1,000 consumers

Region	Mobile	Internet	Landline	Total
Major cities	3.6	1.4	1.4	6.4
Regional	1.9	1.2	1.6	4.7
Remote	1.3	0.6	0.8	2.7



# Ombudsman decisions

Most of our complaints are resolved quickly with the collaboration of service providers and consumers, but the Ombudsman has the power to make binding decisions in the few cases that are unresolved each year.

The Ombudsman can also make decisions about objections to carriers accessing land to install and maintain low-impact facilities, and can make “interim directions” to stop a provider from trying to collect a disputed debt while we consider a complaint.

## Determinations

The Ombudsman made 10 determinations in 2013-14 compared to one the previous year. These included:

- directing a provider to refund more than \$5,000 to a consumer after it failed to cancel a SIM that was reported as stolen overseas
- directing a telco to cease collection activities on an early termination charge it had no contractual right to claim
- five decisions about one provider that transferred landline services without proper authority, and
- three different complaints about an uncooperative provider that did not follow through with resolutions agreed with consumers.

Three providers were referred to the Australian Communications and Media Authority for non-compliance with the Ombudsman’s determinations. Of those, one provider complied after referral and two providers did not (see Non-compliance on next page).

## Land access objections

The Ombudsman finalised 14 objections to providers attempting to access property to install or maintain equipment in 2013-14. This compares to seven objections finalised the previous year.

Of the objections finalised this year, the Ombudsman determined that:

- two proposals to install equipment could not go ahead, mainly due to inadequate descriptions of the activities, and
- for 12 objections there were no grounds on which to decide that activities should not proceed.

## Interim directions

No interim directions were made in 2013-14.

10

Ombudsman determinations

14

land access decisions in 2013-14



# Non-compliance

By law, telecommunications service providers must join and comply with the TIO Scheme. If a provider fails to do so, we can refer it to the Australian Communications and Media Authority (ACMA).

## Non-compliance with determinations

Most providers work cooperatively with the TIO and very few need to be referred to the regulator each year. We referred three providers to the ACMA for not complying with Ombudsman determinations in 2013-14 compared to one in 2012-13. After our referral:

- one provider complied with the determination
- one provider, Best Telecom Pty Ltd, stopped trading and no action can be taken against it, and
- one provider, Planet ISP Pty Ltd, is the subject of a formal ACMA investigation for non-compliance.

## Failure to become TIO member

We referred 19 providers to the ACMA for not joining the TIO Scheme in 2013-14. After our referral, and as at the release of this report (October 2014):

- 11 providers became TIO members
- two were exempted from becoming TIO members,
- three providers did not become TIO members but the ACMA decided not to take further action, and
- three have not yet joined the TIO:
  - » Red Broadband Pty Ltd
  - » Red Dirt Communications Pty Ltd
  - » Steve Slisar/123 Group Pty Ltd trading as Virion.



**3**  
providers referred  
to ACMA for not  
complying with  
determinations

**19**  
reported to ACMA  
for not joining TIO

# Industry code report

We recorded code data for eight different industry codes in 2013-14. We also monitored compliance with the *International Mobile Roaming Standard* that came into effect on 27 September 2013.

## Confirmed code breaches

When we investigate a complaint, we can determine if a relevant industry code has been complied with. Of 554 investigations closed in 2013-14, 25.8 per cent had a confirmed code breach. In total, we recorded 261 confirmed code breaches; more than 95 per cent of these were breaches of the *Telecommunications Consumer Protections (TCP) Code 2012*.

Most of the code breaches recorded were for the complaint handling provisions of the 2012 Code.

Topic	Number	Percentage
Complaint handling	103	41.2
Billing	57	22.8
General rules	43	17.2
Credit and debt management	30	12
Advertising, sales, contracts and customer service	12	4.8
Changing suppliers	5	2

## Possible code issues

In each new complaint, we listen to the consumer's version of events and we make a note of potential code compliance problems. During 2013-14, we recorded 375,926 possible code issues. More than 98 per cent of these were issues with the TCP Code 2012.

Topic	Number	Percentage
Billing	132,328	35.7
Complaint handling	62,738	16.9
Advertising, sales, contracts and customer service	60,972	16.5
Credit and debt management	59,464	16
General rules	44,600	12
Changing suppliers	10,532	2.8

Note: We enhanced our methodology for reporting on possible code issues and confirmed code breaches during 2013-14. Under the new method, we count possible code issues and confirmed code breaches associated with complaints closed for the first time during the reporting period, and at the most recent classification level. This compares to the previous methodology where code data was based on all instances of closure at the current classification level.





## Case studies

Consumers who come to us experience a range of problems, from simple customer service issues, to complex cases that involve large disputed bills. These are some examples of the cases we received in 2013-14.

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## Excess data charges

Small business owner Celia contacted us about \$36,225 in excess internet charges. Celia said her business had been with the same telco for two years and had never exceeded its 300 gigabyte monthly plan. The charges had accrued over two months, with almost \$33,927 in one month alone.

Celia said she only became aware of the charges when the provider called to tell her that her bill had reached \$33,000. She wanted the excess data charges to be credited in full.

At the outset, Celia's telco wanted her to pay all the charges. The provider said that it had sent earlier notifications.

During the TIO conciliation, the telco provided data records that showed usage on weekends when no one was in the office. Celia showed a security report to confirm that the office was closed on the day that usage was the highest — 97 gigabytes. The telco was unable to provide any records of notifications it sent to Celia about excess usage.

The telco agreed to credit all disputed charges, and Celia accepted this resolution. To make sure the problem did not happen again, the provider set up a monitoring system to allow Celia to monitor usage on a daily basis and to receive monthly email updates.

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## NBN connection delay

Kristen rang her provider to get her house and her son's house connected to the NBN when it arrived in her suburb. Her son's house was connected on the agreed date, but hers was not.

The cable from the street was connected to Kristen's home on the agreed date, but the technicians missed three appointments for the work that needed to be done inside the house. Almost a month after the original connection date, contractors came to finish the work, but did not connect the service properly. One of the workmen also damaged her ceiling.

Kristen told us she contacted the contractors' company to get it to fix her ceiling, but the company told her to arrange the work herself and they would later decide whether to pay for the damage or not. She also tried to sort out the connection problems with her provider, but she was told there was an error in her account and the connection could not be made.

When we conciliated the complaint, the provider arranged to make the connection on Kristen's service and agreed to cover the costs of repairing her ceiling. The provider's case manager also gave Kristen his direct number to ensure that she could contact him easily if she had any concerns or further delays.

Kristen confirmed that her service was working and accepted the provider's offer to cover the costs of repairing the ceiling.



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## Disputed MPS charges

Colin had a mobile phone on a \$99 monthly plan and noticed his bills were higher than usual, with more than \$500 in extra charges over a few months. He decided to find out why and when he checked his bills, he discovered that he was being billed for “third party charges”. Colin rang his provider to find out what they might be, and was told they were a mobile premium service that he had subscribed to.

Colin said he didn’t know what premium services were and had not subscribed to them. The provider told him “the charges have nothing to do with us” and gave him a number for a USA-based content provider. Colin called the content provider, which told him it could not even confirm that he subscribed to the premium service. He then went back to his provider, which declined to refund the charges he disputed, but offered to bar the premium services.

After we referred the complaint back to Colin’s provider, it offered to refund \$250. Colin was not happy with this offer and he was still being charged for new premium services the provider had promised to block.

When we conciliated the complaint, the service provider could not prove that Colin had asked for and authorised premium service messages as required under the Mobile Premium Services Code. The provider offered to refund the disputed charges in full and to bar premium services from his phone.



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## Slow internet

Josef had taken out a bundled contract for home phone, internet and pay TV services. While he was happy with the landline and pay TV, his internet was much slower than he had been promised.

Josef called his provider, which tried to fix the issue with three different technicians who were each unable to solve the problem. Josef decided to stop paying his account due to the delay in repairing his internet service.

When Josef called the TIO, we referred his complaint back to his provider and advised him to pay the landline and pay TV charges he did not dispute. When the provider looked into the complaint, it identified that it would not be able to offer him an internet service with the speeds it had promised due to technical problems. To resolve the complaint, the provider offered to refund any internet charges Josef had paid, waive any outstanding internet charges and discharge him from his internet contract. He would then only have to pay for his landline and pay TV.

Josef told us he was not happy with this offer because the provider “had lied” to him about the internet speed. He said that he had spent a lot of time dealing with the complaint and the provider should waive charges for all his services as compensation.

We decided not to take the matter further, as our view was that the offer from the provider was fair and addressed Josef’s complaint. Given that Josef did not have a problem with his landline or pay TV, we informed him that it was fair that he pay the charges for these services. We also told Josef that we could not look into claims of compensation for time spent dealing with an issue.

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## Faulty handset and disputed charges

Issa had renewed a contract with his provider and received a new handset. He called us after being unable to resolve a problem about two issues:

- he had been charged late fees for monthly bills when he had agreed with the provider that he would pay quarterly, and
- the handset was faulty — the touch screen and bluetooth were not working correctly, so he disputed having to pay the charges for the handset while it wasn’t working.

The provider offered Issa a loan phone while it took the faulty handset for repair or replacement, but Issa did not want to hand it in. He said he wanted the provider to release him from his contract and waive the late payment and handset fees. The complaint was not resolved and Issa called us back.

We told Issa that in the interests of resolving his complaint, he should submit the phone for assessment. He may have been holding back a resolution by not participating.

Issa agreed to submit the handset for a check and as a result, the provider sent him a brand new replacement phone. They also credited the late payment and handset fees he had already paid. But Issa was not satisfied because he thought the provider had repaired his handset and not provided a new one.

The provider demonstrated that the handset was new by sending its new serial number. It matched the new handset Issa received. We believed that the replacement and fee waiver were a reasonable solution, and we closed the complaint.





### Contact us

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Online        [www.tio.com.au](http://www.tio.com.au)  
In person    Level 3, 595 Collins St, Melbourne VIC  
By fax (free) 1800 630 614  
By post      PO Box 276  
                 Collins St West VIC 8007

If you need an interpreter, please contact us through the Translator and Interpreter Service (TIS): 131 450

If you have a hearing or speech impairment, contact us through the National Relay Service:

- TTY users: 1800 555 677
- Speak and listen users: 1800 555 727
- Internet relay users: [www.relayservice.com.au](http://www.relayservice.com.au)

\* Free from landlines. If you are calling from a mobile, you can ask us to call you back.