

TIO complaints the year in review 2013-2014



1993 • 2013

20 years of dispute resolution



Telecommunications
Industry Ombudsman

CASE STUDY

A small business with a big bill

Small business owner Celia contacted us about \$36,225 in excess data charges for her office internet service.

Celia said her business had been with the same telco for two years and had never exceeded its 300 gigabyte monthly plan. However, excess charges accrued over two months, with \$33,927 in one month alone.

Celia said she only became aware of the charges when the provider contacted her to advise her that the bill had reached \$33,000. She disputed using more than her allowed data and 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 gave a security report to the provider that confirmed her office was closed on the Sunday that the highest usage — 97 gigabytes — was supposedly recorded. The telco was also unable to provide any records of notifications sent to Celia.

As a result of the TIO's involvement, the provider agreed to credit all disputed charges, a resolution that was accepted by Celia. To make sure the problem did not occur again, a monitoring system was set up for Celia's business, allowing her to monitor usage on a daily basis. The system included email usage alerts that would be sent throughout the month.



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Ombudsman's message

This *Year in Review* report is a new initiative for the TIO, and enables us to publish at an earlier point the key complaint trends we have identified over the past year.

2013-14 has been another year of reduced TIO complaints; we received 138,946 new matters, fewer than at any time in the past six years. This result, which is the third consecutive year of reduced complaints, has a number of causes.

First, we have seen fewer mobile complaints, and in particular reduced complaints about poor coverage, call dropouts and slow data speeds. Mobile faults almost halved in the past year, with 22,000 fewer complaints. Investment in new mobile infrastructure is clearly a cause of this positive effect.

Second, customer service and complaint handling concerns are reducing. We recorded 50 per cent fewer complaint handling issues than just three years ago. Customer service complaints have decreased substantially — by more than 20 per cent in the past year (to 75,033 in 2013-14, from 94,639 in 2012-13). The public statements by telcos to focus on better serving customers and stronger industry code rules introduced in 2012 are having a positive impact.

The results indicate that a number of the recent co-regulatory initiatives to protect consumers are working. They also demonstrate that a sustained focus on the experience of telecommunications consumers will reduce the need for the TIO's involvement.

Against the trend of reduced complaints, we have seen a substantial increase in complaints about excess data charges. These charges are now the top substantive issue for new complaints, overtaking mobile coverage issues. This year, 14,534 consumers reported issues about excess data charges, up by 27.2 per cent from the 11,429 complaints we received in 2012-13. Half of the complaints involved a disputed amount of more than \$440. In 56 cases, consumers disputed charges of between \$10,000 and \$50,000, while seven complaints involved amounts greater than \$50,000 — the highest dispute was for \$76,103. This trend raises concerns about a mismatch between data included on consumers' plans and the data they actually use. It is one we will closely monitor over the coming year.

The *Year in Review* report includes a breakdown of issues by state, and by metro, regional and remote areas across the country. The results of this analysis indicate that consumers in metropolitan areas are more likely to raise a dispute; and Victorians again head the list as the most likely consumers to complain to the TIO. In contrast to the overall picture, regional and remote consumers are more likely to raise a mobile coverage issue, while for those in metropolitan areas, the number one mobile issue is excess data charges.

The sustained trend of reduced TIO complaints is a positive one. While the numbers are still substantial, it is important to recognise the genuine and sustained efforts of many telcos to do a better job in serving their customers.



Simon Cohen
Ombudsman



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
2013-14	138,946	15,773	522	1	43,857
% 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.**



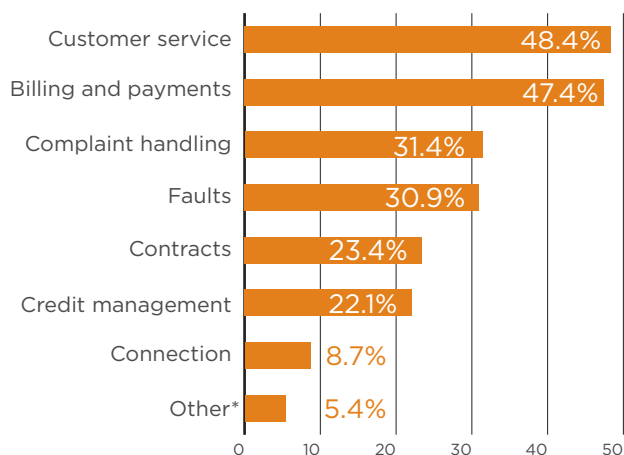
New complaints about mobile coverage decreased by 54.6 per cent, to 11,708 in 2013-14 from 25,789 in the previous year.



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

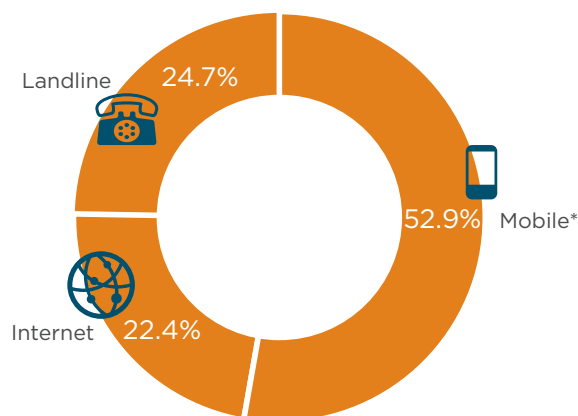
Dashboard 2013-14 at a glance

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.

Other top issues also 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 a 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).



Enquiries

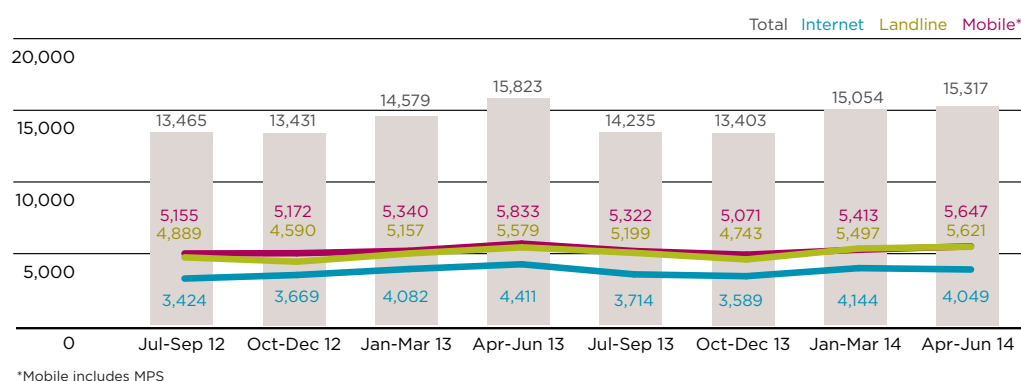
There was a 6.7 per cent reduction in the number of enquiries to the TIO in 2013-14.

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

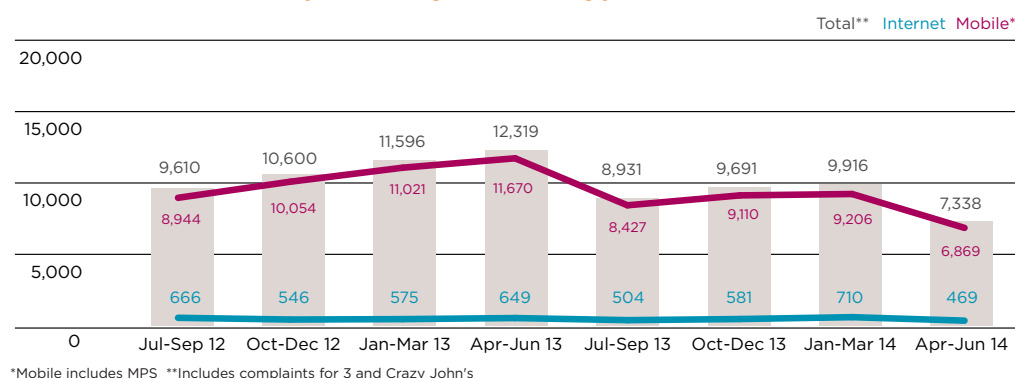


	2012-13	2013-14	Change
Total Telstra new complaints	57,298	58,009	1.2%
Top three new complaint issues			
Disputed bills	7,223	7,139	-1.2%
Poor contract information	5,289	5,853	10.7%
Excess data charges	2,899	4,492	54.9%

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

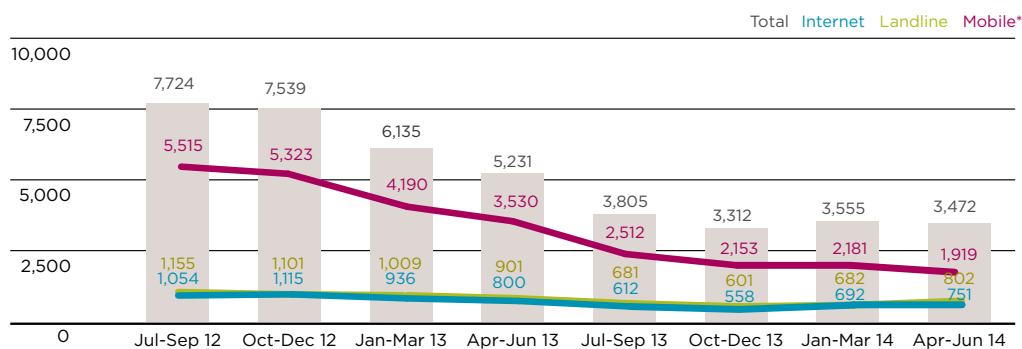


	2012-13	2013-14	Change
Total Vodafone new complaints	44,125	35,876	-18.7%
Top three new complaint issues			
Coverage	19,407	8,143	-58%
Excess data charges	5,423	7,317	34.9%
Poor contract information	3,139	4,398	40.1%

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.

Top 10 providers

Optus new complaints by service type



*Mobile includes MPS

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

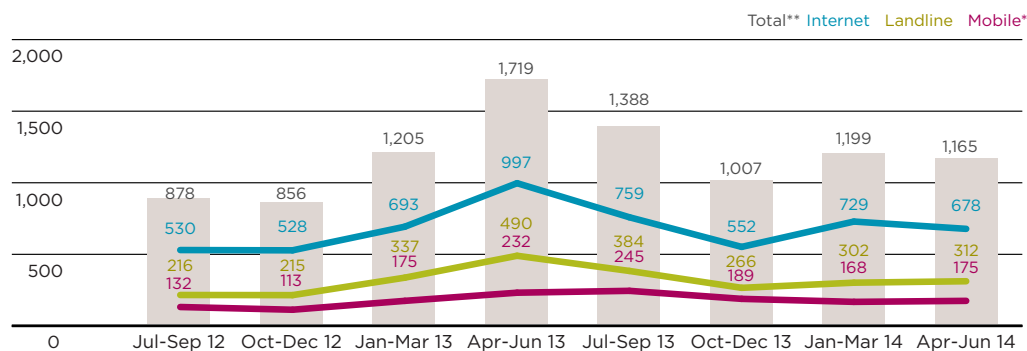
New complaints from Optus customers decreased by almost half (46.9 per cent) to 14,144 in 2013-14, from 26,629 the previous year. It is the second year in a row in which its complaints have decreased.

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

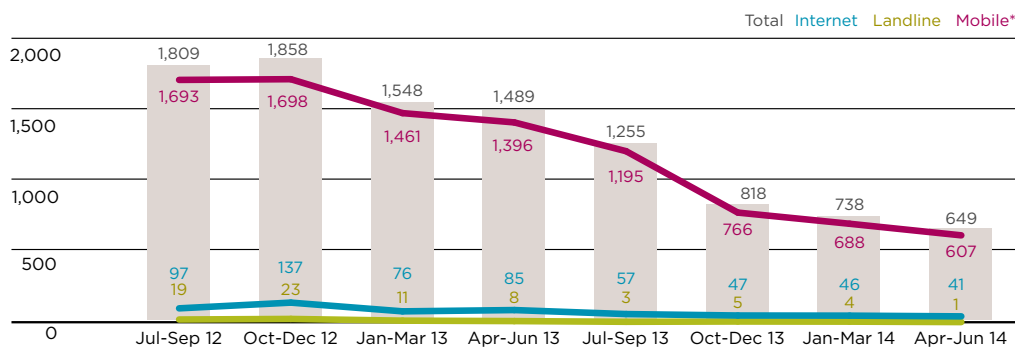


*Mobile includes MPS **Includes complaints for Soul.

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

Top 10 providers

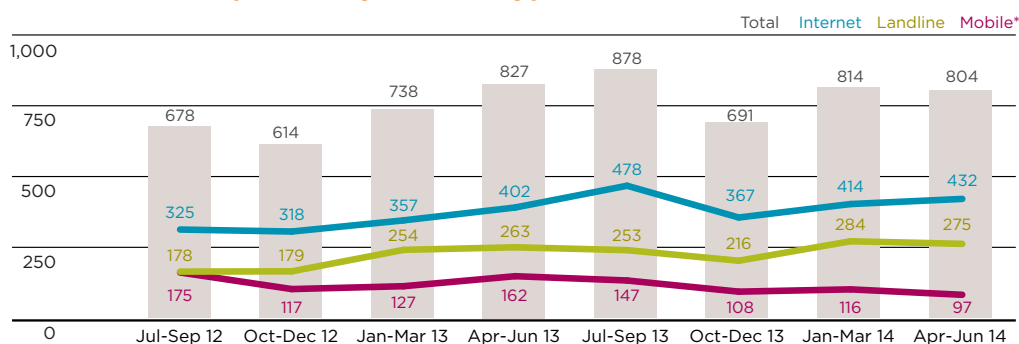
Virgin new complaints by service type



*Mobile includes MPS

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

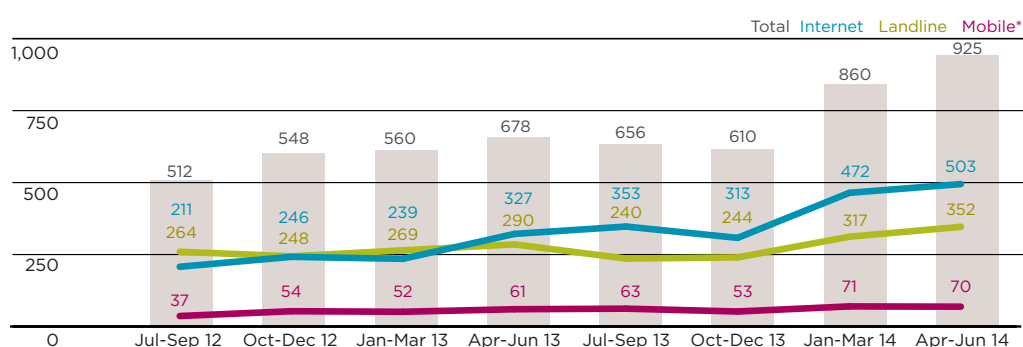
Dodo new complaints by service type



*Mobile includes MPS

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

iiNet new complaints by service type

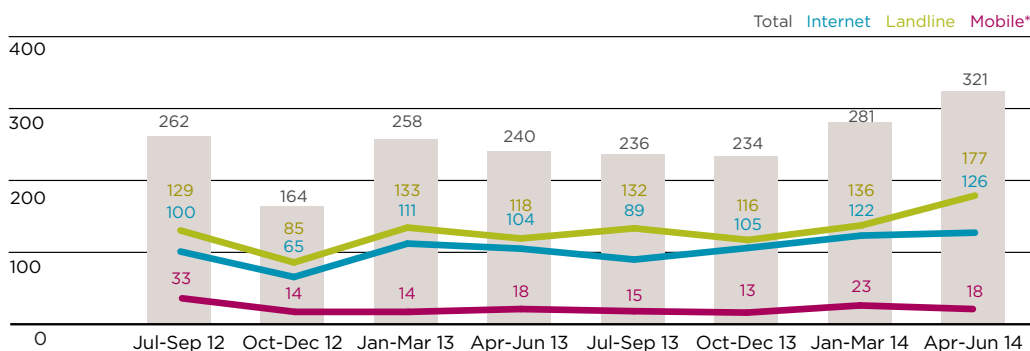


*Mobile includes MPS

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

Top 10 providers

iPrimus new complaints by service type



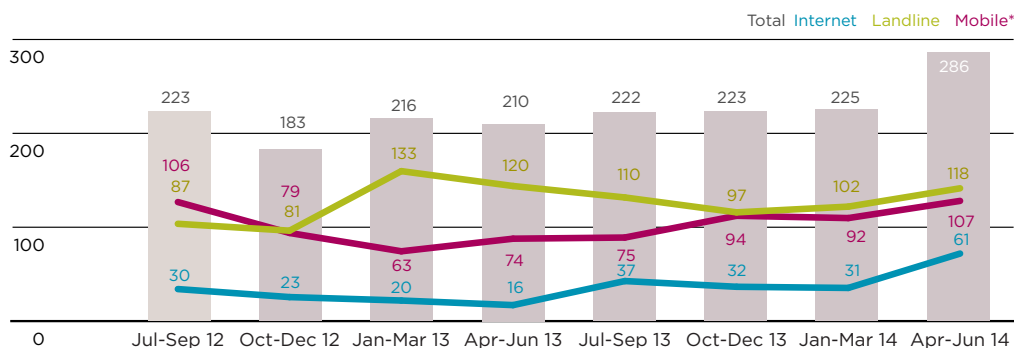
*Mobile includes MPS

	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.

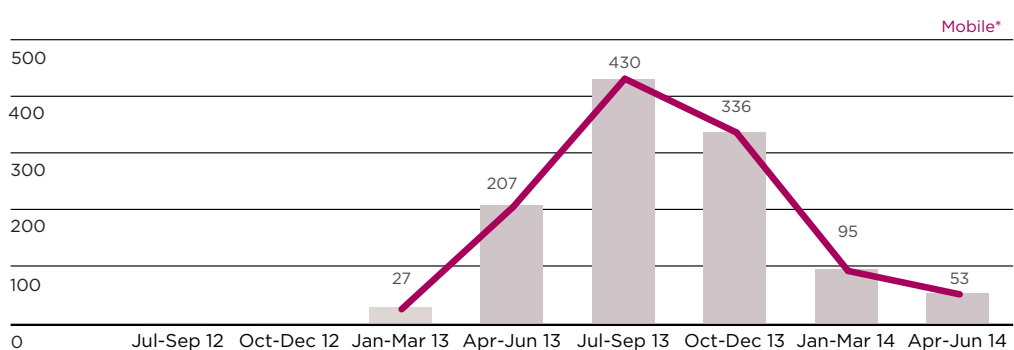
Southern Phone new complaints by service type



*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

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.

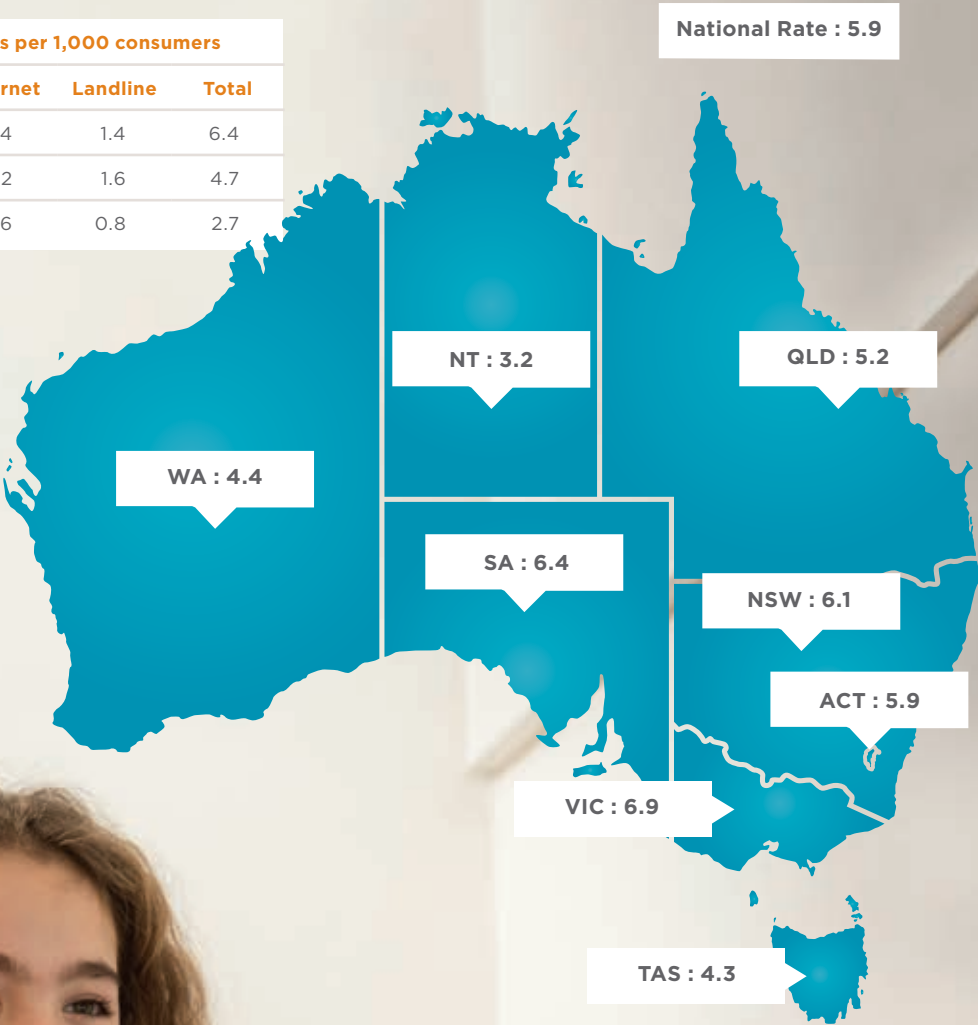
For both regional and remote areas, we received more complaints about mobile coverage than excess data charges. More generally, across all service types in 2013-14:

- 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.

Complaints by state and region

New complaints per 1,000 consumers

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





About the ABS statistics

Our population data comes from the Australian Bureau of Statistics 2011 Census. The ABS census data is grouped into five remoteness areas: major cities, inner regional, outer regional, remote and very remote Australia. The Remoteness Structure provides a classification for the release of statistics that inform policy development by classifying Australia into large regions that share common characteristics of remoteness, based on updated enumerated population data and updated road location data.

For more information:
<http://www.abs.gov.au>

For the purposes of this report, we consolidated the ABS regions into three: major cities, regional (inner regional + outer regional) and remote (remote + very remote Australia).

Complaints by state and region

VICTORIA	New complaints per 1,000	Total new complaints	Top issue
Major cities	7.4	29,963	Excess data charges
Regional	5.3	6,860	Disputed bills
Remote	4.8	21	Disputed bills
Total	6.9	36,844	

SOUTH AUSTRALIA

Major cities	7.0	8,142	Poor contract information
Regional	4.8	1,793	Disputed bills
Remote	3.6	199	Coverage
Total	6.4	10,134	

NEW SOUTH WALES

Major cities	6.5	33,359	Excess data charges
Regional	4.9	8,343	Disputed bills
Remote	3.1	89	Disputed bills
Total	6.1	41,791	

AUSTRALIAN CAPITAL TERRITORY

Major cities	5.9	2,101	Disputed bills
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QUEENSLAND

Major cities	5.7	15,416	Poor contract information
Regional	4.5	6,817	Disputed bills
Remote	2.5	266	Disputed bills
Total	5.2	22,499	

WESTERN AUSTRALIA

Major cities	4.7	7,892	Disputed bills
Regional	3.7	1,393	Disputed bills
Remote	2.8	424	Coverage
Total	4.4	9,709	

TASMANIA

Regional	4.3	2,104	Disputed bills
Remote	5.3	36	Contract termination fees
Total	4.3	2,140	

NORTHERN TERRITORY

Regional	4.2	497	Disputed bills
Remote	2.0	191	Coverage
Total	3.2	688	



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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:

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- Speak and listen users: 1800 555 727
- Internet relay users: www.relayservice.com.au

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