

The Telecommunications Industry
Ombudsman acknowledges the
Traditional Owners, the Wurundjeri
people of the Kulin Nation, on whose
land we meet, share and work. We
pay our respects to Elders past and
present, and extend our respect to
Aboriginal and Torres Strait Islander
people from all nations of this land.

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Ombudsman's message

This six month update provides key data on complaints from residential consumers and small businesses to the Telecommunications Industry Ombudsman for the period 1 July - 31 December 2017.

The telecommunications industry in Australia continues to experience significant change. An increasing range and variety of telecommunications products and services are being offered to consumers, technologies are changing rapidly, expectations for the quality of phone and internet services are high, and the rollout of the National Broadband Network is changing the way we use telecommunications services.

My office has continued to receive high levels of complaints, with 84,914 complaints received over the six month period. This represents a 28.7% increase compared to the same period in 2016.

Complaints have decreased from 92,046 complaints in the preceding six month period, January – June 2017. However, to account for the seasonality of complaints activity this update compares data to the July - December 2016.

Of the 84,914 complaints, 74,729 were from residential consumers (a 30.7% increase compared to the same period in 2016), and 9,947 were from small businesses (a 15.6% increase compared to the same period in 2016).

Complaints increased in all states and territories. Queensland, Tasmania, Victoria, and Western Australia recorded particularly high increases of over 30% compared to the same period in 2016.

On 1 July 2017, we changed the way we record the issues consumers raise in complaints. Our recording of the issues is now based on six broad categories that follow the lifecycle of a residential consumer or small business' relationship with their provider.

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

We have also changed our categorisation of the service type for each complaint. We now record complaints against one of five service categories: landline phone services, mobile phone services, internet services, multiple services (where the consumer is complaining about more than one phone or internet service), or a complaint about damage or access to property.



This six month update reflects the changed recording of service types and issues. As the changes are comprehensive, it is not possible to show the trends in complaints at the service type and issue levels. Trend analysis will build over time from the start of this reporting period.

We have continued to deal with systemic issues identified in the complaints we have considered. We will report on this work in the annual report for 2017/2018, to be published in October.

Over the last six months, we have renewed our focus on improving internal processes to deliver a better complaint handling experience for all parties – for phone and internet providers, and for residential consumers and small businesses.

We are committed to delivering on our purpose, which is to provide a fair, independent, and accessible dispute resolution service for Australian consumers and the telecommunications industry. In delivering that purpose, we comply with the Government's Benchmarks for Industry-based Customer Dispute Resolution.

We are also committed to achieving our four strategic goals, which are:

- To provide an independent dispute resolution service that is efficient and effective without compromising integrity
- 2. To collaborate, inform and educate stakeholders to reduce complaints and improve telecommunications services
- 3. To be known, respected and accessible
- 4. To build a resilient and sustainable organisation and infrastructure

Judi Jones Ombudsman



The Telecommunications Industry Ombudsman

The Telecommunications Industry Ombudsman provides a free and independent dispute resolution service for residential consumers and small businesses who have an unresolved complaint about their phone or internet service in Australia.

ABOUT

The Telecommunications Industry
Ombudsman Ltd was established in 1993,
and is a company limited by guarantee.
The Telecommunications (Consumer
Protection and Service Standards) Act
1999 requires telecommunications providers
to be members of the Telecommunications
Industry Ombudsman and to comply with
the decisions of the Ombudsman.

TELECOMMUNICATIONS SERVICE PROVIDERS

Telecommunications service providers are businesses or individuals who are carriers or provide carriage services.

Carriers – persons who own a telecommunications network unit to supply carriage services to the public. The carrier must be licensed through the Australian Communications and Media Authority.

Carriage service providers (CSP) - those who supply standard telephone services, public mobile telecommunications services, or carriage services that enable end-users to access the internet, including carriage service intermediaries who arrange for the supply of such services.

SCOPE OF SERVICE

Dispute resolution services include:

- Dealing with individual and systemic complaints.
- Promoting fair and effective resolution of complaints.
- Providing information and analysis to community, government and members.

THE TELECOMMUNICATIONS INDUSTRY SECTOR

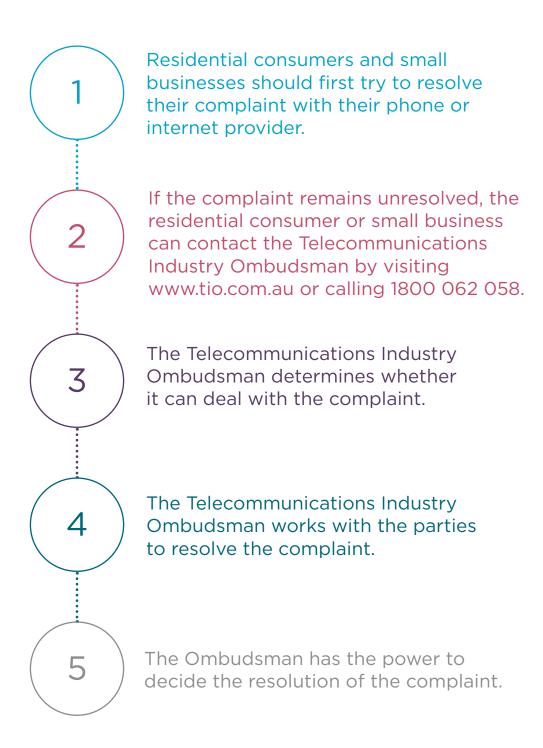
The telecommunications industry regulators are the Australian Communications and Media Authority (ACMA) www.acma.gov.au and the Australian Competition and Consumer Commission (ACCC) www.accc.gov.au.

Government and the regulators set policy and regulations for the telecommunications sector.

Communications Alliance is the peak body for the Australian communications industry www.commsalliance.com.au.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communications consumer organisation representing individuals, small businesses and not-for-profit groups as consumers of communications products and services www.accan.org.au.

How to make a complaint



How the Telecommunications Industry Ombudsman records complaints data

From 1 July 2017, the Telecommunications Industry Ombudsman has changed the categorisation of service types and issues in complaints received from consumers. The new categorisation has improved our data collection, provided opportunities for better analysis of our data, and improved reporting to the telecommunications industry, government, and residential and small business consumers.

SERVICE TYPES

Depending on the services involved, a complaint is recorded in one of five service types. These are:

- Landline phone service
- Mobile phone service
- Internet service
- Multiple services
- Property

"Multiple services" is used to record a complaint which involves more than one type of service, for example a complaint about a delay connecting both a landline and internet service.

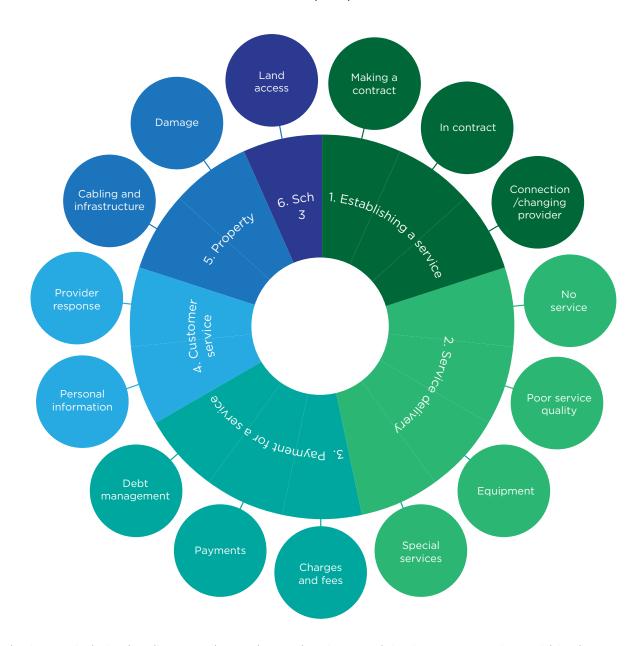
"Property" is used to record complaints from a land owner or occupier about damage to a property, or a telecommunications carrier wanting access to inspect land or to install or maintain infrastructure.



COMPLAINT ISSUES

The issues in complaints are based on six broad categories that follow the lifecycle of a residential consumer or small business' relationship with their provider. These are:

- 1. Establishing a service
- 2. Service delivery
- 3. Payment for a service
- 4. Customer service
- 5. Property
- 6. Schedule 3 of the Telecommunications Act (1997) land access matters



The inner circle in the diagram above shows the six complaint issue categories. Within these categories are 15 subcategories that represent the subject of the complaint. Each complaint is assigned at least one of the subcategories, and then more detailed keywords which sit under the subcategory.

^{*}This diagram is based on a model used by the Financial Ombudsman Service Australia.





Complaints to the Telecommunications Industry Ombudsman

Complaints increased compared to July - December 2016.

84,914

total complaints received from July - December 2017

28.7%

increase in complaints compared to July - December 2016

74,729

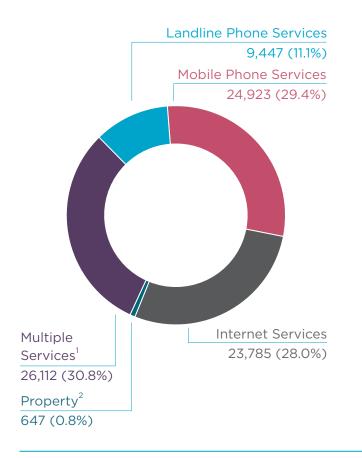
complaints from residential consumers

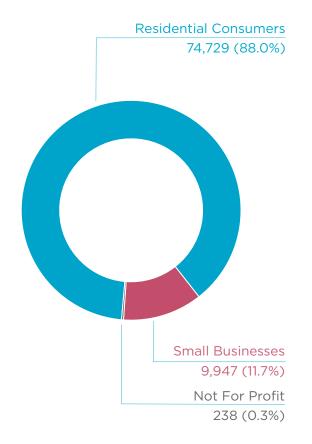
9,947

complaints from small businesses



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY OMBUDSMAN





Issue	Complaints ³
Charges and fees	38,594
Provider response	36,563
Poor service quality	18,936
Connection/changing provider	13,844
No service	12,831
Debt management	9,257
Making a contract	7,003
In contract	5,628
Equipment	2,957
Payments	2,398

- 1. A complaint which relates to more than one service.
- 2. A complaint involving access or damage to property.
- 3. Complaints may include more than one issue.

Residential consumers

Complaints increased compared to July - December 2016.

74,729

total complaints received from July - December 2017

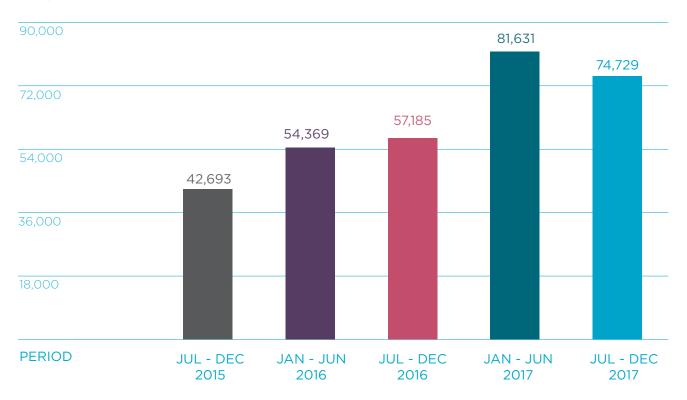
30.7%

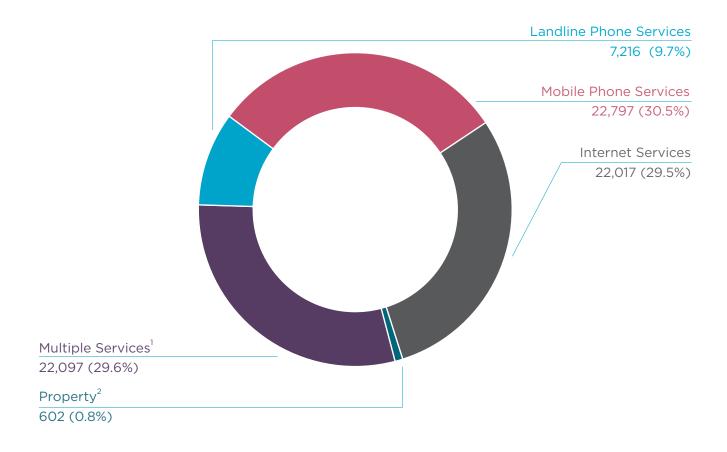
increase in complaints compared to July - December 2016

88.0%

of total complaints

COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017





Issue	Complaints ³
Charges and fees	34,013
Provider response	32,139
Poor service quality	17,055
Connection/changing provider	11,802
No service	10,769
Debt management	8,280
Making a contract	6,180
In contract	4,878
Equipment	2,632
Payments	2,252

^{1.} A complaint which relates to more than one service.

A complaint involving access or damage to property.
 Complaints may include more than one issue.

Small businesses

Complaints increased compared to July - December 2016.

9,947

total complaints received from July - December 2017

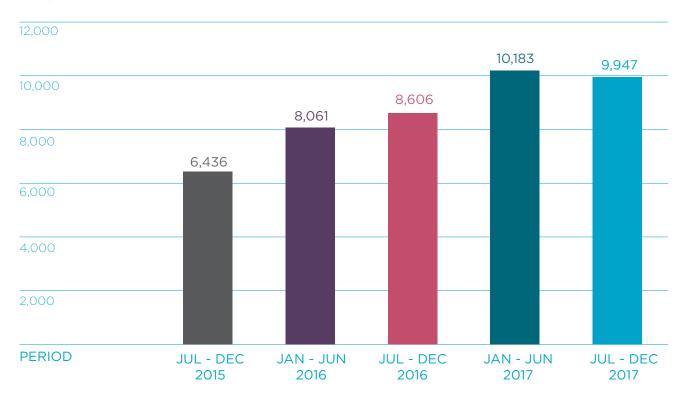
15.6%

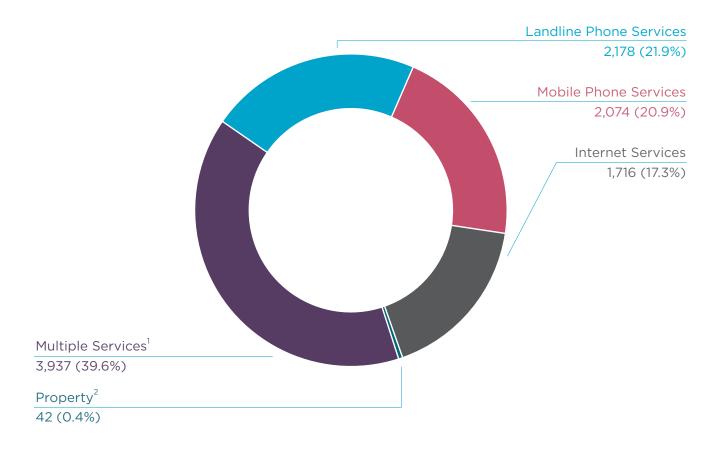
increase in complaints compared to July - December 2016

11.7%

of total complaints

COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017





Issue	Complaints ³
Charges and fees	4,486
Provider response	4,315
No service	2,007
Connection/changing provider	1,994
Poor service quality	1,852
Debt management	949
Making a contract	803
In contract	729
Equipment	319
Special services	272

^{1.} A complaint which relates to more than one service.

A complaint involving access or damage to property.
 Complaints may include more than one issue.

Complaints about services delivered over the National Broadband Network

22,827

total complaints received from July - December 2017

203.9%

increase in complaints compared to July - December 2016

About the delivery of the National Broadband Network plan

As an increasing number of services are delivered over the National Broadband Network, it is not surprising that an increasing proportion of our complaints are about a service delivered over that network.

nbn co was established in 2009 to design, build, and operate Australia's high-speed, wholesale local access broadband network. Retail service providers contract with nbn co to access the National Broadband Network and sell voice and internet access to end users.

The National Broadband Network uses both wired (copper, optical fibre and hybrid fibre-coaxial), and wireless (satellite and fixed wireless) communication networks. How the Telecommunications Industry Ombudsman records complaints about services delivered over the National Broadband Network

The Telecommunications Industry
Ombudsman receives complaints about
retailers who deliver services over the
National Broadband Network and about
nbn co, the company rolling out the
network.

The Telecommunications Industry Ombudsman started recording and reporting complaints about services delivered over the National Broadband Network from financial year 2013/14.

Complaints about services delivered over the National Broadband Network include:

- cases lodged against service providers where the residential consumer or small business tells the Telecommunications Industry Ombudsman the complaint is about a service delivered over the National Broadband Network, and
- cases lodged by a land owner or occupier against nbn co, where the complaint is either about damage to property or access required to a property to install, maintain, or inspect the network.

COMPLAINTS ABOUT SERVICE QUALITY AND ESTABLISHING A CONNECTION OVER THE NATIONAL BROADBAND NETWORK

THE ROLLOUT OF THE NATIONAL BROADBAND NETWORK

14,055

complaints about service quality¹

3,385,937

premises activated on the National Broadband Network²

8,757

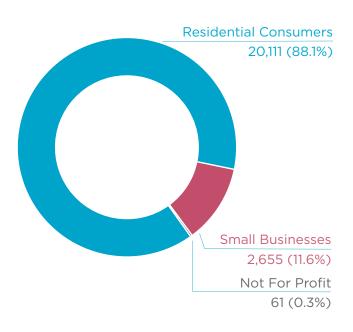
complaints about problems establishing a connection¹

942,804

new premises activated on the National Broadband Network²

This six month update reflects the changed recording of service types and issues from 1 July 2017. These changes mean it is not possible to compare complaints at the service type and issue levels with previous reports. Trend analysis will build over time from the start of this reporting period.

WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY OMBUDSMAN



Issue	Complaints ³
Provider response	10,222
Poor service quality	9,006
Connection/changing provider	8,929
No service	6,778
Charges and fees	4,348
Making a contract	490
Infrastructure	337
In contract	250
Equipment	247
Damage	207

The categories 'Establishing a Connection' and 'Service Quality' include the majority of NBN complaints. Additionally, the Telecommunications Industry Ombudsman also receives complaints about NBN services relating to Provider Response, Land Access and Property Damage.

^{2.} The "Number of Premises Activated" data was sourced from nbn co "Weekly Progress Report" dated 15 March 2018 published on nbnco.com.au.

^{3.} Complaints may include more than one issue.

Australian Capital Territory

1,184*

total complaints received from July - December 2017

11.0%

increase in complaints compared to July - December 2016

1.4%

of national complaint numbers

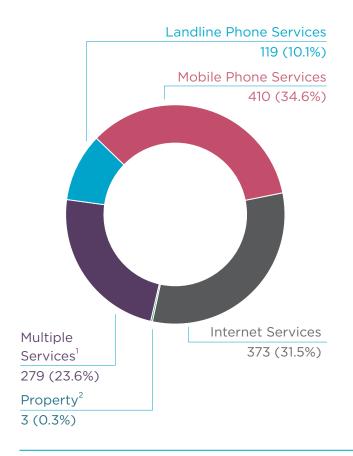
*Total complaints that used a valid postcode.

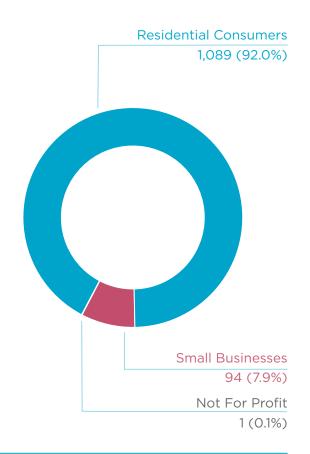


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	588
Provider response	506
Poor service quality	273
Connection/changing provider	171
No service	142
Debt management	131
Making a contract	79
In contract	74
Payments	52
Equipment	51

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

New South Wales

26,914*

total complaints received from July - December 2017

27.9%

increase in complaints compared to July - December 2016

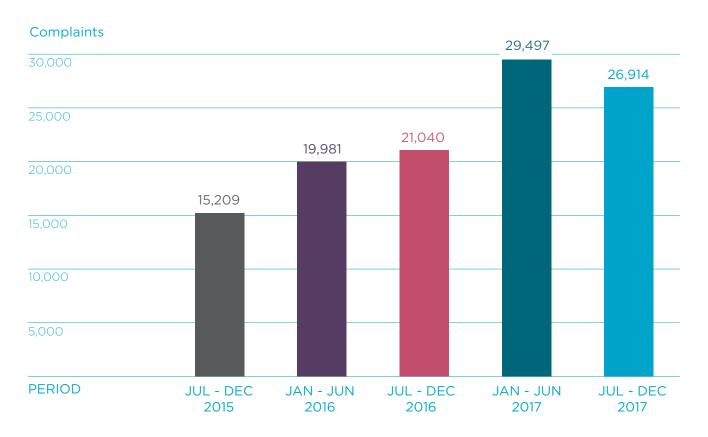
31.7%

of national complaint numbers

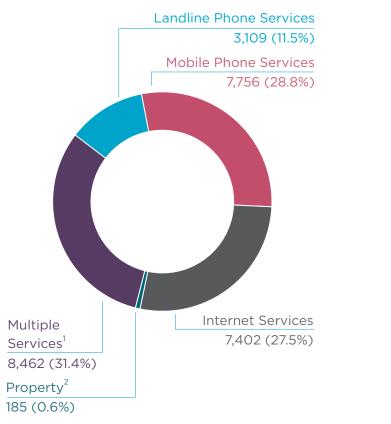


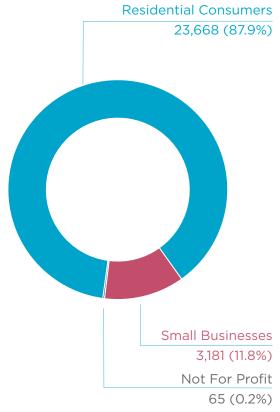


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	12,086
Provider response	11,800
Poor service quality	6,145
Connection/changing provider	4,440
No service	4,361
Debt management	2,682
Making a contract	2,165
In contract	1,777
Equipment	905
Payments	693

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

Northern Territory

504*

total complaints received from July - December 2017

20.0%

increase in complaints compared to July - December 2016

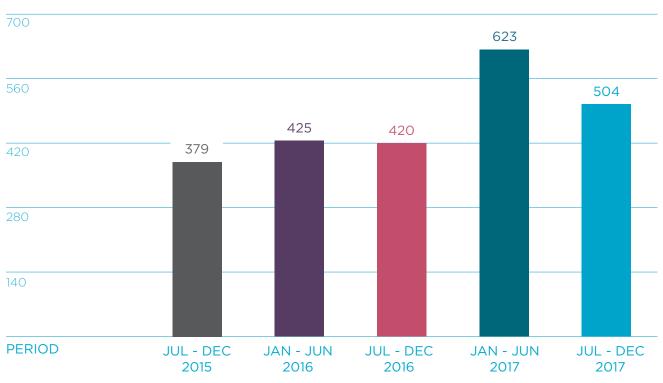
0.6%

of national complaint numbers

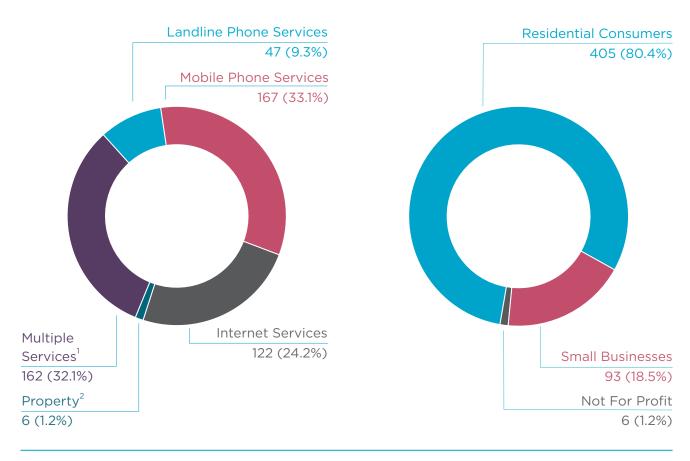




COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**



Issue	Complaints ³
Charges and fees	269
Provider response	227
Poor service quality	91
Connection/changing provider	83
No service	82
Debt management	79
In contract	42
Making a contract	38
Equipment	28
Payments	13

^{1.} A complaint which relates to more than one service.

A complaint involving access or damage to property.
 Complaints may include more than one issue.

Queensland

16,418*

total complaints received from July - December 2017

39.3%

increase in complaints compared to July - December 2016

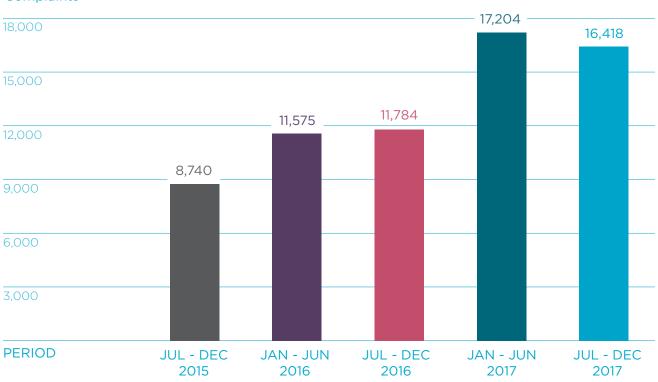
19.3%

of national complaint numbers

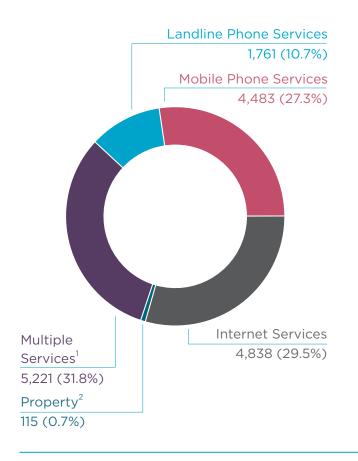


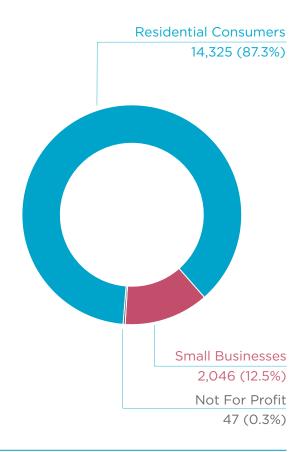


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	7,587
Provider response	7,008
Poor service quality	3,672
Connection/changing provider	2,740
No service	2,405
Debt management	1,839
Making a contract	1,391
In contract	998
Equipment	583
Payments	461

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

South Australia

6,552*

total complaints received from July - December 2017

22.7%

increase in complaints compared to July - December 2016

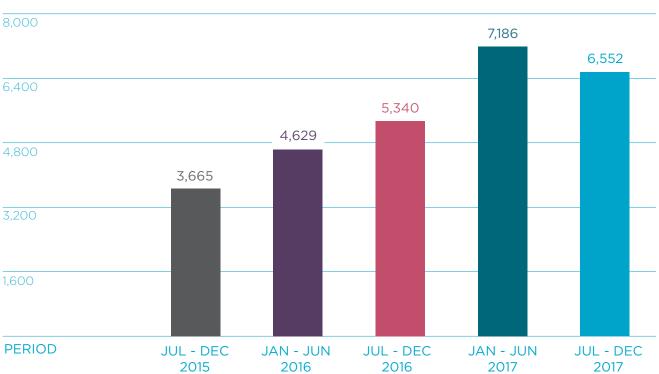
7.7%

of national complaint numbers

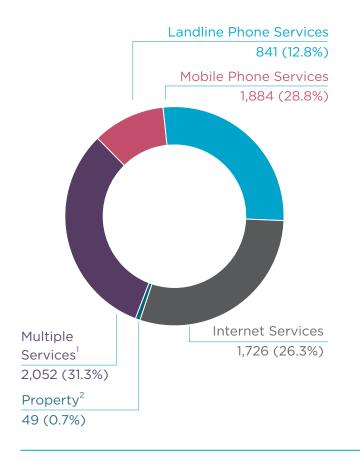


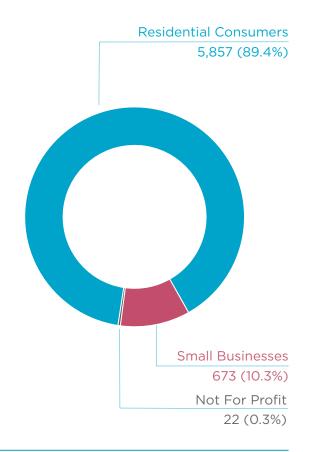


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	2,794
Provider response	2,756
Poor service quality	1,366
Connection/changing provider	1,139
No service	1,006
Debt management	732
Making a contract	605
In contract	393
Equipment	243
Payments	213

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

Tasmania

1,614*

total complaints received from July - December 2017

33.1%

increase in complaints compared to July - December 2016

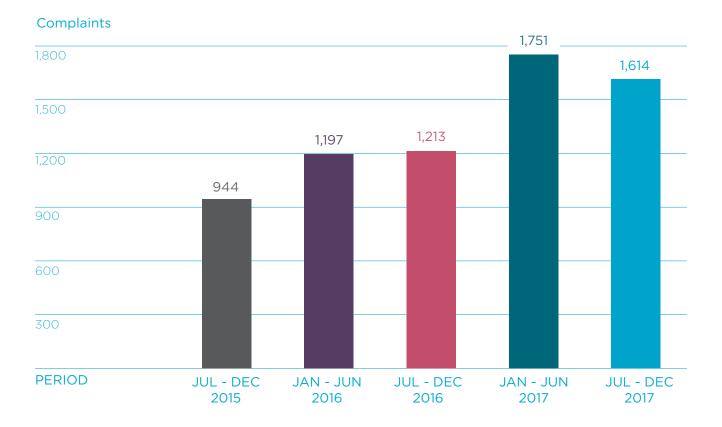
1.9%

of national complaint numbers

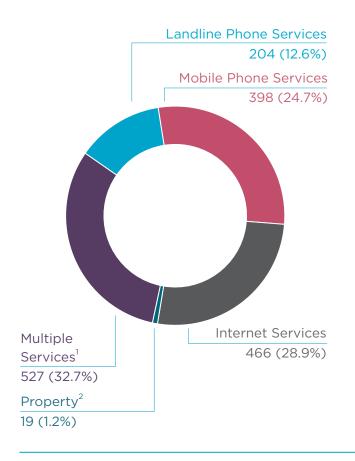


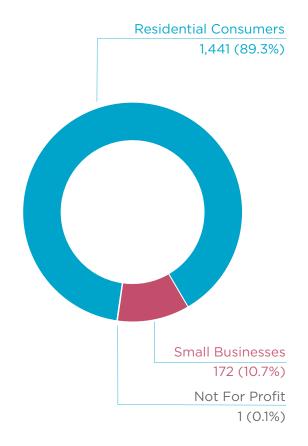


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Provider response	737
Charges and fees	662
Poor service quality	360
Connection/changing provider	307
No service	292
Debt management	169
Making a contract	116
In contract	89
Equipment	57
Personal information	45

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

Victoria

23,954*

total complaints received from July - December 2017

30.5%

increase in complaints compared to July - December 2016

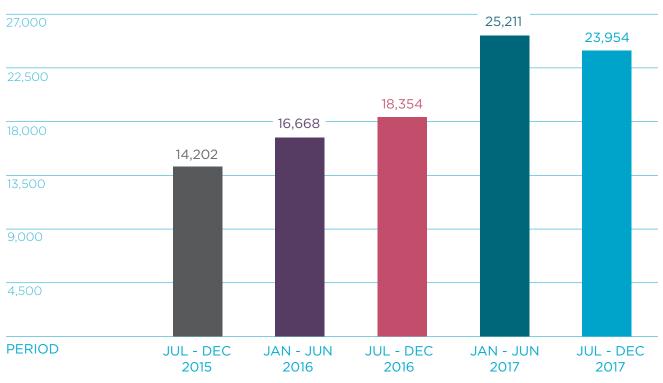
28.2%

of national complaint numbers

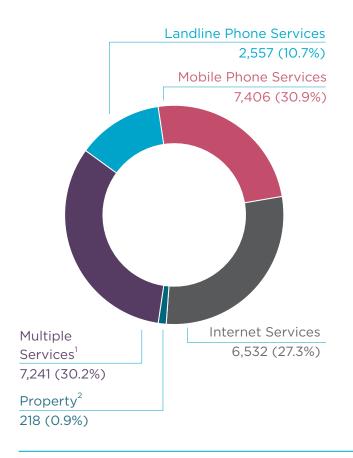


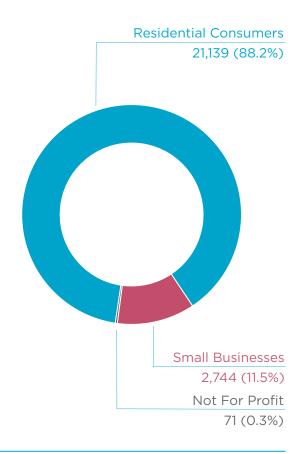


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	10,974
Provider response	10,344
Poor service quality	5,181
Connection/changing provider	3,861
No service	3,465
Debt management	2,770
Making a contract	1,951
In contract	1,716
Equipment	836
Payments	700

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.

Western Australia

7,381*

total complaints received from July - December 2017

36.5%

increase in complaints compared to July - December 2016

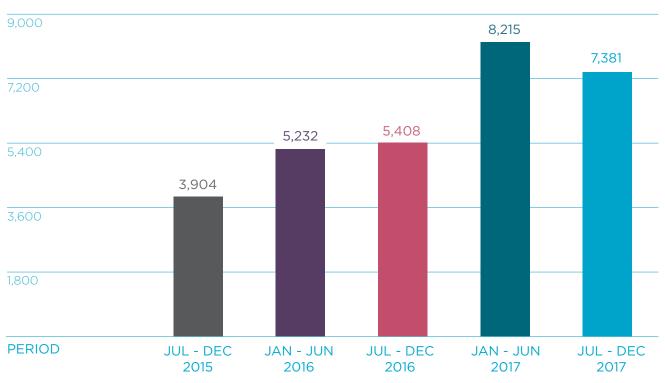
8.7%

of national complaint numbers

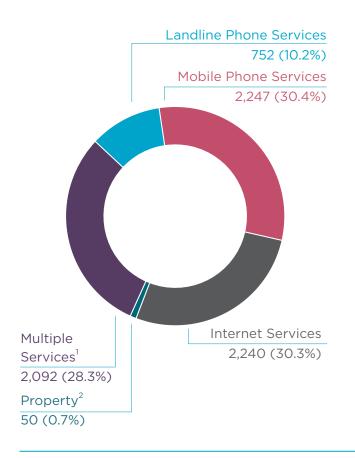


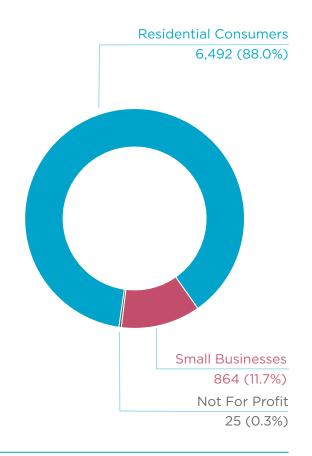


COMPLAINT NUMBERS FROM JULY 2015 TO DECEMBER 2017



WHO COMPLAINED TO THE TELECOMMUNICATIONS INDUSTRY **OMBUDSMAN**





Issue	Complaints ³
Charges and fees	3,556
Provider response	3,130
Poor service quality	1,817
Connection/changing provider	1,087
No service	1,054
Debt management	831
Making a contract	629
In contract	529
Equipment	248
Payments	226

- 1. A complaint which relates to more than one service.
- A complaint involving access or damage to property.
 Complaints may include more than one issue.





Joe Decker*

Delayed connection and compensation claim

Photographer Joe Decker* contacted the Telecommunications Industry Ombudsman because he could not resolve a claim for compensation for loss of income with his provider, Small Business Telcos*. Joe's claim arose because of problems with the connection of his business phone and internet services when Joe moved to a new office.

Joe said he sent the relocation forms to Small Business Telcos before moving offices. When the services at the new office were not connected, Joe contacted Small Business Telcos to find out what had happened. Small Business Telcos told Joe his request had been closed in error and he would have to start the process again.

After Joe sent new relocation forms, there were further delays, and Small Business Telcos told Joe the numbers couldn't be transferred to a different exchange. Joe explained that the main business number had to be retained and he understood Small Business Telcos had agreed to this. Small Business Telcos offered Joe two months free internet connection in recognition of the delays.

Two weeks later Joe discovered that the main business number was not working, despite previous assurances, and he said this had caused thousands of dollars in lost business. He wanted compensation for lost income of \$3,000.

The compensation claim was not resolved after referral by the Telecommunications Industry Ombudsman to Small Business Telcos, and the case progressed to conciliation and investigation.

A Dispute Resolution Officer asked Joe for information to substantiate his claim for compensation. This included profit and loss statements, business activity statements, sales figures and cash disbursements for the previous three years. After reviewing the documentation, the Dispute Resolution Officer organised a telephone conference between Joe and Small Business Telcos to see if a settlement could be reached.

Before the teleconference took place, Joe and Small Business Telcos exchanged offers and counter-offers through the Dispute Resolution Officer. The dispute was settled when Joe agreed to accept Small Business Telcos' offer to pay \$2,500 compensation for his loss of income and the restoration of the original business number at the new premises.



Angela Chow*

Misunderstanding causes complaint

Angela Chow* contacted the Telecommunications Industry Ombudsman because her service provider, Speedy Internet*, had suspended her service. Angela said that her payments were up to date, she had provided her payment details to Speedy Internet and her service had been suspended twice. She wanted the suspensions to stop and also compensation for the added cost of using her mobile phone to access the internet.

The complaint was not resolved after referral to Speedy Internet. Angela contacted the Telecommunications Industry Ombudsman and the complaint progressed to conciliation. A Dispute Resolution Officer obtained information from Speedy Internet that included notes of its interactions with Angela and a copy of its Terms and Conditions.

Speedy Internet said Angela's service was suspended because Angela missed a payment and its attempts to debit Angela's credit card account failed. The Terms and Conditions of the service required the customer to provide an active credit card to be used in case customers did not pay bills by the due date.

The Dispute Resolution Officer discovered that Angela provided her credit card details but advised Speedy Internet that she only wished to pay her bills by BPay.

Speedy Internet misunderstood Angela's request and deleted her credit card information from their system. Angela said she was happy to give her credit card details to Speedy Internet, but she still wanted Speedy internet to compensate her for suspending her service.

The Dispute Resolution Officer discussed her findings with Speedy Internet and Angela. The complaint was resolved by Angela providing her credit card details and Speedy Internet refunding one month's service fee.

*Name of individuals, organisations and companies have been changed

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Mary Jacobs*

Technician callout fees

Mary Jacobs* received a bill of \$170 from Lifestyle Phones* for a technician callout. Mary's daughter Sally* called the Telecommunications Industry Ombudsman to dispute the bill on her mother's behalf.

Sally said that two technicians had visited Mary's property on separate occasions and provided conflicting advice about the faulty landline service. Sally understood the second technician identified the fault originated in the street, and so her mother should not have to pay the charge.

An Enquiry Officer emailed the details of the complaint to Lifestyle Phones and asked them to work with Sally and her mother to resolve the complaint. The Enquiry Officer also reminded Lifestyle Phones of its obligations under the Telecommunications Consumer Protections Code not to take credit management action on a charge that was the subject of an unresolved complaint.

Lifestyle Phones offered to reduce the callout charge by half, but Sally's mother did not accept this. Sally contacted the Telecommunications Industry Ombudsman's office again. She explained as the service was only working after the second technician's visit and the fault was found in the main box in the street, her mother should not have to pay anything.

The unresolved complaint progressed to the conciliation stage in the dispute resolution process. Mary completed a form to authorise Sally to handle the complaint for her.

A Dispute Resolution Officer wrote to both Sally and Lifestyle Phones to set out the complaint issues and ask for information about the service fault and the technician callouts.



Lifestyle Phones told the Dispute Resolution Officer it had not taken credit action and confirmed that there had been two callouts. Lifestyle Phones said Mary was not charged for the callout that identified a technical problem with the line. Lifestyle Phones explained the \$170 charge was for a separate callout where the fault was fixed by replacing Mary's handset. Because the fault was on Mary's equipment, Lifestyle Phones said Mary had to pay the callout fee.

Lifestyle Phones provided documentation about the two callouts that confirmed Mary had only been charged for the callout that was fixed by the replacing her handset. The Dispute Resolution Officer considered the information and documentation provided by Sally and by Lifestyle Phones. The Dispute Resolution Officer concluded Mary was liable to pay the callout fee.

The Dispute Resolution Officer recognised Mary was confused by the two technician visits. The written assessment carefully explained that Mary had been advised she would be responsible for the cost of the technician visit if the fault was caused by her equipment. As Mary had to pay the \$170 fee, the Dispute Resolution Office said Lifestyle Phones's offer to reduce the charge by half was more than reasonable. Sally accepted the outcome on behalf of her mother and the case was closed.



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