

Consumer guide to compensation for financial loss



The Telecommunications Industry Ombudsman can consider a claim for financial loss caused by a provider breaching an obligation it owes you.

We can direct a provider to compensate you up to \$50,000. We can recommend a provider pay more – up to \$100,000 – but any recommendation won't be binding. If you are seeking more than \$100,000 compensation, we may decide a court or tribunal is more appropriate for your claim.

If you want to make a claim for financial loss, you should be able to show us the loss with supporting information.

When will we consider a claim for financial loss?

We will consider a claim for financial loss caused by a provider's breach of an obligation under a contract, law or industry code. This includes **out-of-pocket expenses** and **lost profit**.

Examples include:

- Costs of repairing property damaged by a provider
- Lost business profit caused by faulty services
- Costs of having to pay for alternative services when a provider does not supply agreed services.

We do not consider claims for:

- time spent and costs of making a complaint to the Telecommunications Industry Ombudsman
- inconvenience
- loss of business reputation
- compensation to punish or penalise a provider.

In limited circumstances, we may consider a claim for the costs for independent expert assistance to prepare a claim.

Who can make a claim?

We can only consider your claim if you are the provider's customer. We do not accept claims by third parties.

For example, if you run a business, we can only accept a claim for lost profit if the service account is in the business name. Or, we can accept your claim for financial loss if you are the account holder.

How we assess claims

We assess claims by considering:

- Did the provider breach an obligation it owed you?
- Did the breach cause loss?
- Is the provider liable for the loss?
- How much is the loss?
- What did you do to mitigate loss?
- What should the provider pay you in compensation and out-of-pocket expenses?

Out-of-pocket expenses

If you are claiming out-of-pocket expenses, you should be able to provide receipts for these expenses and explain why you had to spend the amounts you are claiming.

Loss of income

If you are claiming loss of personal income (such as missing a shift at work), you will need to give us information to show you would have earned the income if your provider had not breached its obligation to you. This might include a letter from your employer and pay slips to show what you are usually paid.

Loss of business

If you are making a claim for business loss, should be able to give us documents to support your

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claim and show the loss. This can be a time-consuming process, but it is important you gather enough information to support your claim.

Information we typically consider includes:

- Profit-and-loss statements prepared by an accountant covering the period the breach occurred, surrounding months, and comparative periods for the previous two years
- Details and information to show how your business makes its income and how the breach impacted this income
- Details of the steps you took to minimise the loss

If there is an ongoing fault affecting your ability to operate your business, you should keep records about it. For example:

- notes about you reporting the fault to your provider
- emails from customers or business partners about their difficulty contacting you
- diary notes about the issues as they arise

Minimising ongoing loss

You should take steps to mitigate or minimise the impact of any telecommunications outage.

When we investigate a complaint about an unresolved claim for compensation, we will consider if you took reasonable steps to protect your interests and minimise your potential losses.

Taking steps to mitigate your business loss is a matter for you. Typically we would expect a provider to cover your reasonable costs of mitigating loss. If you do not take reasonable steps to mitigate your loss, we may limit any amount of compensation we award.

A provider has an obligation to repair faults once it is made aware, but in most cases they do not have an obligation in regards to business loss to offer interim services.

The following table gives some examples for reducing business loss.

Affected service	Steps you could take to mitigate loss
Landline	Landline number redirection to a mobile service; Updating (mobile) contact number wherever possible, eg Google, Facebook page, newsletters
Internet	Using mobile data; Purchasing a prepaid wireless dongle
Email	Accessing emails remotely
EFTPOS	Obtaining a wireless EFTPOS machine or mobile payment device
Landline	Contacting similar or competing businesses and asking they pass on mobile service number to customers calling for them
Landline	Calling relevant suppliers and providing mobile number
General	Contacting provider

Making a claim

If we decide we can investigate your claim, we will ask you to give us your supporting information. Typically, we expect you to provide this within three to four weeks so we can assess it and finalise your complaint quickly.

If you cannot give us information to show the loss, your claim is unlikely to succeed.