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Paul Miszalski  
The Manager, Network Migration Taskforce  
Australian Communications and Media Authority

Sent by email to: [paul.miszalski@acma.gov.au](mailto:paul.miszalski@acma.gov.au)  
Cc: [vince.humphries@acma.gov.au](mailto:vince.humphries@acma.gov.au)

Dear Paul

### ACMA Compliance Priorities 2020-21

Thank you for the opportunity to comment on the ACMA's setting of compliance and enforcement priorities for 2020-21. It has been pleasing to see the recent enforcement activities undertaken by the ACMA in the telecommunications sector, including those arising from referrals made by my office.

Broadly, I consider the ACMA's 2019-20 telco consumer safeguards priorities continue to be relevant and could be maintained for the year ahead. This letter provides feedback on each of those priorities and suggests areas of focus within them.

#### 1. Moving to the NBN and beyond

In Financial Year 2019, my office received 132,387 complaints from residential and small business consumers. My office receives complaints about services delivered over the NBN, including 11,635 complaints about connection or changing a provider and 23,362 complaints about service quality.<sup>1</sup>

It is important the ACMA continues to prioritise carriage service providers' (CSPs) compliance with rules helping consumers moving to the NBN. However, the NBN rollout is moving towards completion and many households and businesses are already connected. Broadening the focus of the ACMA's NBN compliance priority to include the customer experience rules and reliability of voice-only services may better reflect the state of the industry.

##### 1.1 New obligations proposed for NBN consumer experience rules

The ACMA's proposed revisions to the NBN consumer experience rules contain new obligations on CSPs. The ACMA may wish to prioritise compliance and enforcement of these new obligations, should they be reflected in the final version of the rules. These new obligations on CSPs will impact consumers after migration to the NBN.

Some of the proposed revisions include rules requiring CSPs to:

- offer ongoing discounts for the duration of internet service contracts (if advertised internet speeds are not met, and the consumer is on the lowest speed tier plan offered),<sup>2</sup> and
- provide financial compensation to consumers that reasonably offsets the effect of the CSP not supplying an interim service (where a consumer has been disconnected).<sup>3</sup>

<sup>1</sup> For more details, please see the Telecommunications Industry Ombudsman's [Annual Report FY19](#).

<sup>2</sup> *Telecommunications Service Provider (NBN Service Migration) Determination 2018*, section 14 – proposed rule.

<sup>3</sup> *Telecommunications Service Provider (NBN Service Migration) Determination 2018*, section 9 – existing rule & definition: alternative arrangement – proposed rule.

## 1.2 Ongoing reliability of NBN services for voice-only consumers

In encouraging compliant behaviour, the ACMA may wish to focus on provider conduct or practices that impact on the reliability of NBN voice-only services.

Reliability of NBN services is particularly important for consumers who rely on a voice-only service as their only means of communication and who may not need or want an internet connection. It is also important for small businesses who conduct day-to-day activities by telephone.

## 2. Complaints handling

Complaints handling remains an important priority. However, the ACMA may wish to focus on delays in responding to complaints and the impact of automation on complaints handling.

### 2.1 Delays in responding to complaints

The ACMA may wish to focus on compliance and enforcement of telecommunications providers' obligation to advise consumers of any delay to proposed timeframes for managing or handling their complaints.<sup>4</sup>

My office receives complaints from consumers whose telecommunications provider did not contact them or explain the reason for delays with their complaints. In Financial Year 2019, "no or delayed response" by telecommunications providers was a top three complaint issue across all service types.<sup>5</sup> My office's complaints data for Financial Year 2020 Quarter 1 shows this issue continues to be a top five complaint issue. Improved communication between parties during the complaints process will result in better complaints handling outcomes for both consumers and providers.

### 2.2 Rise of automation in complaints handling

The ACMA may wish to have a greater compliance focus on providers' use of artificial intelligence (AI) applications where it may impact their complaint handling obligations.

Telecommunications providers increasingly use AI for a range of applications including enquiries and complaint handling such as customer service, help, guidance and troubleshooting. Consumers complain to us about being unable to reach a person to talk to about their issue. They say they contacted their provider with an enquiry but were unable to talk with a person and ultimately contacted my office when they felt they had nowhere else to go.

These matters may foreshadow the types of complaints we see and continue to see about telecommunications providers as they transition to using AI applications more broadly for consumer engagement.

For more information about the influence of automation in complaints handling, please refer to my office's submission to the ACMA "Artificial Intelligence in Media and Communications" in December 2019.

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<sup>4</sup> Section 14 of the *Telecommunications (Consumer Complaints Handling) Industry Standard 2018*.

<sup>5</sup> [Annual Report FY19](#), pg. 10.

### 3. Selling practices and interactions with vulnerable consumers

Telecommunications selling practices continue to impact on vulnerable consumers and small businesses more broadly. The ACMA may wish to prioritise telecommunication providers' obligations around responsible selling and interactions with vulnerable and disadvantaged consumers.

#### 3.1 Responsible approach to selling

The ACMA may wish to have a greater focus on telecommunications providers' obligations around responsible selling.<sup>6</sup>

It is important that telecommunications providers clearly explain key terms, conditions and costs for new products that consumers may not be familiar with. In 2019, my office noticed a trend in complaints about new products offered by telecommunications providers. Some of these products go beyond the provision of standard telecommunications services, such as paid additional technical support and insurance-type products.

Particular care is required when selling to small businesses. Small business contracts can often include larger monthly fees, longer timeframes, more complex arrangements and expensive equipment leases. Each of these need to be clearly highlighted to small businesses, with the consequences of mis-selling often having a higher financial impact for small businesses than for residential consumers.

#### 3.2 Interaction with vulnerable consumers

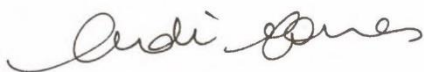
The ACMA may wish to have a greater focus on obligations around interacting with vulnerable customers, such as those experiencing domestic and family violence. For instance, telecommunications providers must:

- in their collection activities, adopt best practice including utilising resources such as Communications Alliance's *Assisting Customers Experiencing Domestic and Family Violence Guideline G660:2018*,<sup>7</sup> and
- ensure their sales representatives interact with disadvantaged or vulnerable consumers appropriately.<sup>8</sup>

My office receives complaints from consumers who say their telecommunications provider did not recognise family violence as a factor in financial hardship. We also receive complaints from consumers who say their telecommunications provider would not recognise they incurred a debt through family violence financial abuse and continued to take action to enforce the debt.

This indicates there is further work to be done to ensure industry priorities do not contribute to further harm to those experiencing family violence.

Regards



Judi Jones  
Telecommunications Industry Ombudsman

<sup>6</sup> Clause 4.5 of the *Telecommunications Consumer Protections Code*.

<sup>7</sup> Clause 3.4.1(b) of the *Telecommunications Consumer Protections Code*.

<sup>8</sup> Clause 3.4.2 of the *Telecommunications Consumer Protections Code*.