



Impact of COVID-19 on phone and internet complaints

Systemic Investigation Report, July 2020



Telecommunications
Industry
Ombudsman

Impact of COVID-19 on phone and internet complaints

Since the start of the COVID-19 pandemic in March 2020, Australian residential consumers and small businesses have relied on phone and internet services more than ever.

During this time, we have worked with residential consumers, small businesses, and providers to resolve individual complaints as quickly as possible. We have also closely monitored the impact of the pandemic on phone and internet complaints.

We have seen telecommunications providers respond to a surge in customer demand and customer contacts – while managing the impacts on their own businesses from government restrictions and lockdowns.

This report explores key themes in complaints that emerged between March and June 2020. It highlights our work with telecommunications providers to address pandemic-related issues. We also offer tips to consumers who may be experiencing some of these issues, building on the consumer tip sheet, [COVID-19 Phone and internet tips](#) we published earlier in the year.

The impact of the pandemic on consumers of phone and internet services

Our complaints show consumers are using phone and internet services differently, relying more heavily on these services to work, study, and connect with loved ones.

We saw complaints emerge around suitable plans and reliable services. Some consumers needed to update plans to get more data or faster internet speeds. Others found existing service issues, such as frequent dropouts or slow speeds, prevented them from working or studying effectively from home.

Many small business owners told us moving to home-based business operations during the pandemic had reduced their income significantly. Some small businesses wanted to reduce or suspend the phone and internet services connected to their business premises.

When service issues occurred, small businesses often told us that this increased the financial impact on them.

The telecommunications industry responded to the significant challenges caused by the pandemic

In March 2020, demand for phone and internet services soared. The telecommunications industry worked individually and together to improve access to services and provide temporary financial relief for residential consumers and small businesses.

Relief measures from individual providers included:

- creating processes to identify and prioritise urgent cases,
- extending self-service options,
- offering extra data or unlimited calls at no cost, and
- pausing standard processes for recovering overdue debt.

Industry-wide relief measures included:

- [NBN Co offering internet providers](#) up to 40 per cent of additional capacity at no cost until 19 August 2020,
- [Telstra, NBN Co, and the ACCC pausing migration rules](#) so consumers could keep an existing copper service until at least 30 June 2020,
- the Australian Government and telecommunications companies agreeing to [joint principles](#) to assist with financial hardship and help consumers stay connected, and
- [NBN Co creating a \\$150 million relief fund](#) to help internet providers deliver NBN services to lower income customers.

We are monitoring impacts of the pandemic and working closely with providers

Since the pandemic began, we have been working closely with major providers. We talk candidly about the complaints we see and hear

from providers about how the pandemic has impacted their operations.

Our Systemic Investigations Team has been identifying and investigating issues that impact groups of consumers and working quickly with relevant providers to address the issues. Early identification of issues and clear visibility of challenges means we can effectively find ways to reduce complaints.

We have also engaged regularly with other stakeholders such as government and regulators, sharing information about rapid developments that occur.

In March 2020, the Ombudsman declared COVID-19 a disaster under our Business Continuity Plan and has temporarily increased the timeframe for providers to respond to non-urgent complaints from 10 to 15 days. The timeframe to process urgent complaints from vulnerable and at-risk consumers remains unchanged at two business days.

We identified three key complaint themes arising from the pandemic

While our overall complaint numbers are not significantly above usual volumes, we are seeing trends directly related to the pandemic. Between March and June 2020, we identified three key themes arising from the impact of COVID-19 on consumers. The themes were:

1

Consumers not being able to contact their provider

2

Fault and connection problems being more disruptive to consumers

3

Financial impacts on consumers starting to emerge

Case study

Existing fault affects family's remote work and study

Before the pandemic, Matteo and Isabella and their children used their home phone and internet service mostly for entertainment and personal purposes. In February 2020, the phone and internet services began dropping out. Matteo found the service would reconnect if he disconnected and then restarted the modem.

When the COVID-19 lockdowns began, Matteo and his family began to use their home internet to work and study remotely. Matteo called his provider and reported the dropouts. He said they were happening several times each hour and made it difficult for his children to learn remotely. Matteo also said he was working from

home and that it often took several attempts to upload large files and his connection would often drop out during video meetings.

Several technicians investigated the issues before a technician found and fixed the problem in early May 2020. After Matteo made a complaint to our office, his provider credited some of the internet costs and a technician fee and gave Matteo a customer relations payment.

Names of individuals and retail providers have been changed.



1

Consumers could not contact their provider

From mid-March 2020, we saw a significant rise in complaints and enquiries from consumers saying they could not contact their provider. At their peak in early April, the average daily number of complaints and enquiries was significantly higher than in early March.

Consumers told us because they could not contact their provider, they were unable to get issues addressed. Providers acknowledged the lockdowns affecting offshore operations meant consumers were likely to experience delays in contacting their provider.

We worked with providers who developed workarounds to address the issue. While the numbers of complaints and enquiries have since fallen, they remain higher than before the pandemic.¹

Consumers could not report problems to their provider

Many consumers told us when they tried to contact their provider, they waited several hours for assistance. Some said their call or online chat ended without warning. Others said the wait time continued to increase and they eventually gave up. Consumers often tried their provider's phone, chat, and online options before lodging a complaint with our office.

Consumers often wanted to speak with their provider about issues related to the pandemic. This included consumers who were:

- working or studying remotely, or home-schooling and needed to:
 - report issues with a service,
 - change a plan, or
 - arrange to transfer services to a new address.

- in financial hardship and needed to:
 - cancel services and not receive further bills for them
 - arrange an extension for an overdue bill, or
 - report a payment to have services reconnected.

In many cases, the consumer's issue was straightforward and could have been fixed through a single successful contact with their provider.

Responding to consumer demand and staff resourcing issues

Our investigation showed the rise in complaints was from several providers with offshore operations (including contact centres and business units) significantly affected by COVID-19 lockdown restrictions.

1. Some contacts in this period were classified as 'enquiries' as the consumer had not contacted the provider prior to contacting our office. These cases have been included (in addition to complaints) because consumers had tried but were unable to reach their provider. We made a decision to refer these cases to providers.

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We worked with the providers to find ways to reduce new complaints, prioritise urgent matters, and address the backlog of complaints. We encouraged providers to find ways to keep consumers updated about their current situation. For example, keeping website messaging up to date so consumers with non-urgent matters could decide to delay making contact, while consumers with basic requests could opt to access self-service options. We also asked providers to ensure they effectively prioritised complaints about service connectivity and financial hardship from at-risk consumers.

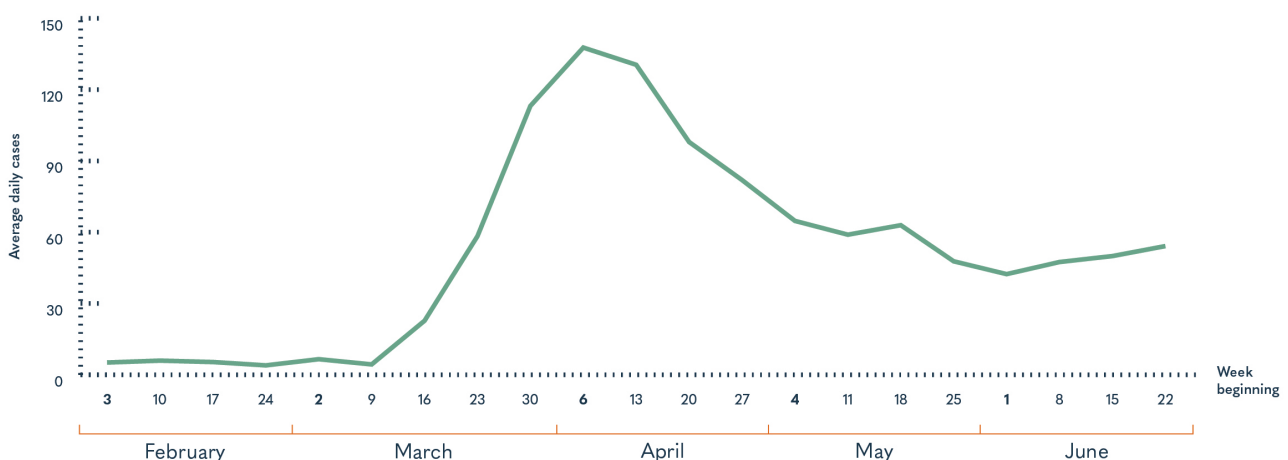
Providers implemented new ways to handle consumer queries until the offshore centres could return to full operation. These included:

- setting up temporary contact centres overseas,
- employing new staff in Australia and redeploying existing staff to work in contact centres,
- setting up more self-service options to ease pressure on contact staff, and
- identifying and prioritising complaints from at-risk consumers.

By late April, the providers we investigated were providing some level of telephone support to their customers.

While the number of complaints and enquiries has reduced considerably, some providers have not yet returned to full operational capacity. There are likely to be more challenges when second waves of infections of COVID-19 occur both here and overseas. We continue to monitor how providers are addressing these challenges.

Average daily 'uncontactable' complaints and enquiries referred to providers



Case study

Jessica could not contact her provider for a payment extension

Jessica lives in a rental share house.

In the early days of COVID-19, Jessica's housemates moved out leaving her responsible for all costs for the house, including the phone and internet service.

Jessica received a bill for her phone and internet but could not afford to pay it until after the due date. When she called her provider's billing line to ask for more time to pay her bill,

she received a recorded message asking callers to use online chat or her provider's App.

Over several weeks, Jessica frequently tried to contact her provider using online chat and its App but could not get through to anyone. During this time Jessica received emails and texts from her provider saying her services would be restricted if she did not pay the charges.

Systemic investigation – Consumers could not report urgent complaints

We identified an increase in urgent complaints from consumers who could not contact Mode Telco to report service issues. These complaints were urgent because the consumers had serious medical conditions and not having access to a landline, mobile or internet service presented a safety risk. Customers said they had tried to contact Mode Telco by phone, online chat, and using Mode Telco's App.

We raised a systemic investigation with Mode Telco. Mode Telco said, due to government lockdowns, a significant number of its offshore call centre staff were unable to travel to the office.

Mode Telco created temporary contact centres staff could travel to. In Australia, Mode Telco redeployed staff from its retail outlets to contact centres and recruited new staff, many from an industry that had been significantly impacted by COVID-19.

Mode Telco said it would prioritise customers who were vulnerable or experiencing urgent issues such as financial hardship, service issues or fraudulent activity. Mode Telco also established a dedicated COVID-19 Hardship line.

Mode Telco's response to this issue appears to have been effective, as we observed a significant decrease in urgent complaints about Mode Telco in May and June 2020.

Names of individuals and retail providers have been changed.



2

Fault and connection problems were more disruptive for consumers

From late March 2020, we saw an increase in complaints about faults and connections.²

When the increase peaked in mid-April, we were receiving an average of 360 complaints about faults and connections a day.

The rise in fault and connection complaints for internet services was steeper and longer than for mobile and landline services. The rise aligned with increased demand for internet services during the shift to home-based work and study.

As we worked with providers on fault and connection issues and the industry took steps to improve service access, we saw complaints drop in May and June.

Consumers reported a greater need for reliable working services

Most consumers who were experiencing service issues said they needed their service to work, study, connect with loved ones, and access important services like tele-health. Many consumers reported issues about slow internet speeds and dropouts.

When consumers did not have access to a working service, we saw recurring themes such as:

- consumers not being able to contact their provider to report or troubleshoot a fault, or arrange relocation of their service to a new address,
- technicians missing appointments which delayed connection, transfer, or relocation, and
- delays receiving equipment such as modems, or consumers not being able to contact their provider for help to set up equipment.

Some elderly consumers told us they used only one service – generally a landline service. These consumers were often self-isolating due to COVID-19 and many reported an increased sense of isolation when they could not access their service.

Small businesses who had moved to a home-based business model told us dealing with a service issue was stressful, time-consuming, and further impacted their business.

Responding to fault and connection complaints

We identified several concerns about service issues related to the pandemic. We took a closer look at three issues:

No access to a service

We found the rise in complaints about consumers not having a working service was driven by increased reliance on phone and internet services, and consumers not being able to report or troubleshoot a fault.

2. Faults and connections are complaints with an issue about connection, no service or poor service. These complaints may also have other issues unrelated to faults and connections.

Connecting or repairing a faulty service

Some consumers said technicians had missed an appointment to connect a service or resolve a service issue. Others said their provider could not offer them an interim service to use while their service was not working.

In April 2020, in response to several systemic investigations we conducted, providers told us:

- they were prioritising complaints about service issues and proactively checking in with vulnerable customers
- technicians continued to attend appointments with safety measures to protect against the risk of contracting COVID-19
- when consumers were not comfortable granting access to their homes, technicians could not always complete planned work, and
- a temporary shortage of satellite phones was caused by high demand during bushfires earlier in 2020 and issues with overseas supply during the early stages of the pandemic.

Providers resolved existing complaints about these issues. We then observed fewer new complaints and were satisfied the providers had adequately responded to our concerns.

Transfers of phone numbers and services

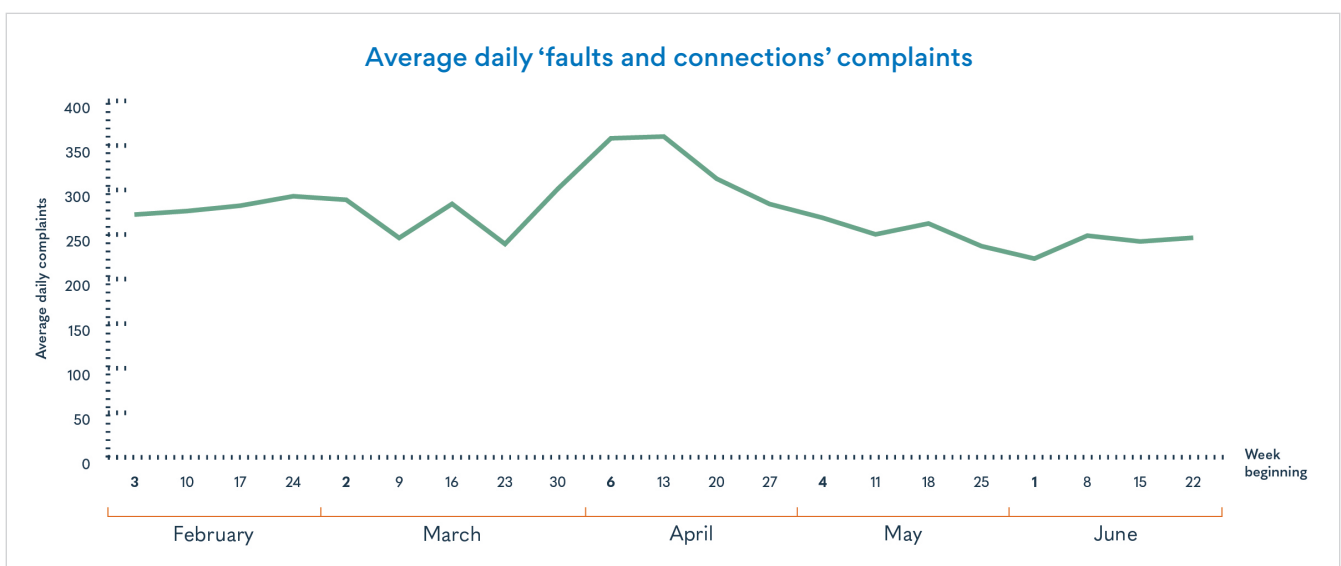
In May 2020, we identified a rise in complaints about delays in completing 'complex' transfers of phone numbers and services.

A 'complex' transfer process is used to transfer groups of phone numbers and complex telecommunications products, commonly for business services. Small businesses told us that while waiting for the transfer to complete they:

- received bills from both their old and new providers for the same period,
- could not access their advertised business numbers, or
- were losing customers due to missing calls or having an interim solution that did not meet their needs.

Our systemic investigation with one provider found its business unit that processed 'complex' transfers was impacted by COVID-19 lockdown restrictions. Although it redeployed and trained new staff to process the transfers, there were still outstanding transfer requests.

We continue to monitor these complaints and work with the provider as it focuses on returning to normal operations.



Case study

Phone fault leaves elderly couple without service during isolation

Charlie and Gladys are a retired couple who use their landline service to connect with family and friends. They have a mobile phone as a back-up service, but this does not work inside their home. Because of their age and medical conditions, Charlie and Gladys self-isolated during the pandemic.

In February, they contacted their provider to say their landline service was not working. Their provider arranged a technician appointment, but the technician did not turn up on the agreed date. A second technician also did not turn up.

While the landline was not working, Charlie and Gladys had to go outside if they needed to make or receive a call, which was difficult and inconvenient because of their health issues.

After Charlie and Gladys made a complaint to our office, a technician arrived at their home and fixed the problem. Charlie and Gladys' provider refunded back the costs of their service while it wasn't working and gave them a customer relations payment for their inconvenience.

Phone issues interrupt takeaway orders at Salma's restaurant

Due to COVID-19 restrictions, Salma's restaurant business was relying on takeaway orders received by phone or online.

Salma applied to transfer her restaurant's landline and internet service to a new provider. Her new provider said her services would not be interrupted during the transfer.

However, several days later, the landline service stopped working. She reported this to her new provider and it confirmed there was a delay in the transfer of her phone number. Salma explained that it was a busy time of week for

her restaurant and asked it to redirect calls to her mobile number. The provider agreed to do this, but the redirection did not work.

It was around two weeks before Salma could use her landline service.

Names of individuals and retail providers have been changed.



3

Financial impacts on consumers are starting to emerge

Between March and May 2020, our data suggests providers' temporary relief measures resulted in fewer complaints than expected about debt-related issues, including financial hardship and repayment arrangements.

As these relief measures have lifted, we have seen a slight increase in debt-related complaints, although they remain below previous levels. From May 2020, we observed financial impacts on consumers starting to emerge, and we expect this increase to continue.

Billing complaints can have a significant financial impact

Many consumers told us when they tried to report a billing issue, their provider could not help as it was not prioritising billing enquiries. Some consumers said they suffered financially when they were unable to speak with a provider about the issue.

Disputed charges taken by direct debit

Consumers said they were not able to report an incorrect charge on their bill, which was later taken from their bank account. Some consumers told us they needed that money for their day to day expenses. We have seen complaints where the direct debit:

- meant a consumer could not afford to pay for food, medicine or rent,
- overdraw a bank account, leaving a consumer without access to money and worried about their bank charging an overdraft fee, and
- worsened a consumer's financial hardship after they had lost their job.

Financial impacts on small businesses

Often, small businesses who had moved to a home-based business model told us their

income had reduced. Many of these consumers said they would be unable to afford to pay for services connected at their business address until they were operating from the business address again.

Some small business owners who had started a new venture shortly before the pandemic could not afford their services and wanted to exit their contract. Some said they were asked to pay large early termination costs.

Unexpected fees and affordability

We received complaints from consumers who said they had received an unexpectedly high bill with a one-off charge or fee they could not afford to pay. This included cancellation fees and technician fees.

Some of these consumers said they were self-isolating, relied on one service to contact family and friends, and were worried their service would be cancelled if they did not pay the full bill.

Temporary measures for financial relief

To ensure consumers remained connected, some providers implemented temporary measures including:

- pausing automatic service suspension and restriction for overdue bills,

- not charging late payment fees or providing late fee exemptions,
- offering flexibility to reduce monthly costs or temporarily pause plans, and
- offering free or unmetered data or free calls on top of usual plan inclusions.

Some of these measures have now ended and standard debt recovery processes are resuming. We will continue to monitor provider responses to debt-related complaints.

Identifying complaints about financial hardship

We found many debt-related complaints began when consumers could not contact their provider.

Early in the pandemic, some providers told us they needed to focus available resources on urgent and priority issues and had temporarily stopped handling billing enquiries.

We asked providers how they were identifying and responding to vulnerable consumers and consumers who were experiencing financial hardship. Providers said they were:

- using technology to find cases that included words in online complaints likely to indicate financial issues,

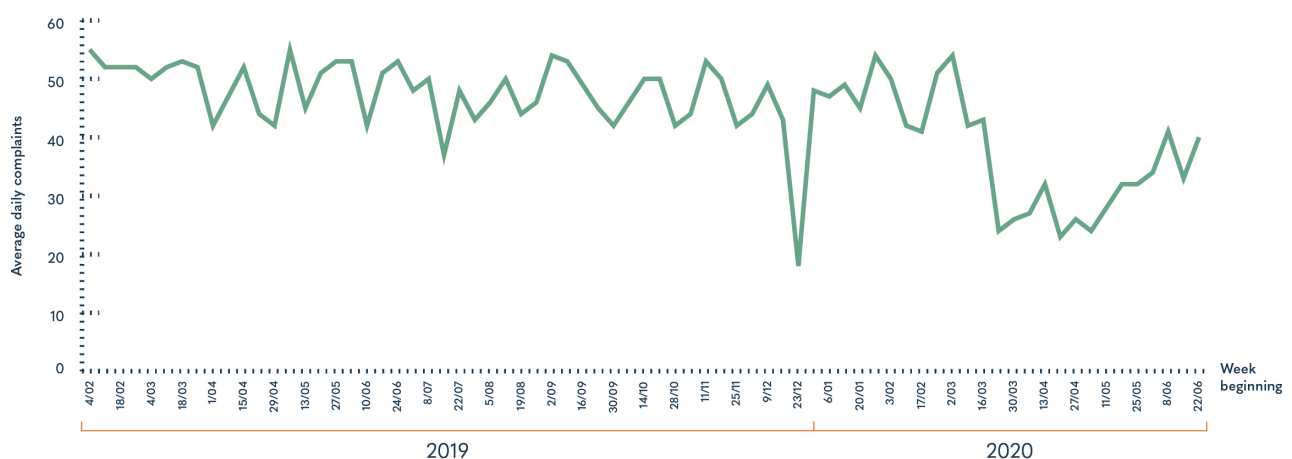
- establishing direct points of contact such as a dedicated phone number or online link for consumers to report financial issues, and
- responding to financial hardship complaints within 24 hours.

“We asked providers how they were identifying and responding to ... consumers who were experiencing financial hardship.”

As financial issues usually take longer to surface when compared to immediate issues such as a fault, they can take longer to show in our data. We may see an increase in complaints involving financial hardship over the coming months, as the impact of the pandemic on the economy and consumers deepens.

We will continue to monitor consumer complaints about their capacity to pay bills and their experience of debt-related issues.

Average daily 'debt management' complaints



Case study

Imran's travel agency asks for bill relief at business address

Imran runs a travel agency from a shopping centre. Imran has a contract for a phone system that has multiple phone lines and internet.

When COVID-19 restrictions were introduced, Imran began working from home. He asked his provider to redirect calls to his business number to his mobile.

As travel limitations due to COVID-19 had greatly impacted his business, Imran spoke

with his provider's hardship team and asked it to reduce the bills for his business services while he could not use them.

Imran's provider agreed to temporarily reduce his monthly payments. Imran then received a bill for the full contracted amount. When he called his provider, it said he had to make a formal application for financial hardship contrary to the initial response.

Disputed direct debit leaves Carmen's bank account overdrawn

Carmen's business was significantly impacted by COVID-19. She was finding it difficult to meet her day to day living expenses and make regular payments to her provider.

Carmen received a bill from her provider that included a one-off charge of more than \$1,000. She thought the charge was incorrect and could not afford to pay it, so asked her provider to cancel the direct debit for her service.

Several weeks later Carmen discovered her bank account was overdrawn and that her provider had direct debited the full amount

of her bill, including the one-off charge. When Carmen contacted her provider, it said it had no record of her cancelling the direct debit.

Carmen said because of the direct debit, she had no money to buy groceries and other essential items she needed.

Names of individuals and retail providers have been changed.



Tip sheets for consumers during COVID-19

[Click here to read the tip sheet for **consumers** during COVID-19](#)



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