

30 September 2020

Committee Secretariat
Joint Standing Committee on the NBN
nbn.joint@aph.gov.au

Dear Committee Secretariat

Inquiry into the business case for the NBN and the experiences of small businesses – supplementary submission

Thank you for the opportunity to provide a supplementary submission to the Committee.

Since my office made [our submission in January 2020](#) to the Committee, Australians have experienced a period of disruptive change, particularly as a result of the COVID-19 pandemic.

During COVID-19, residential and small business consumers have used and relied on phone and internet services for work, study, social connection and more. Telecommunications providers have had to respond to a surge in customer demand and contacts – while managing impacts on their own operations from government restrictions and lockdowns (both in Australia and overseas).

Update on complaint volumes for services delivered over the NBN

In Financial Year 2020, my office received 127,151 complaints from residential and small business consumers.¹ For services delivered over the National Broadband Network (NBN) in the same period, my office received 35,601 complaints about service quality or about connecting to or changing a provider.²

The chart in **Appendix A** provides a consolidated view of the volume of fault and connection complaints for internet, landline, and multiple services delivered over the NBN between April 2019 and June 2020. The chart includes a breakdown of complaints from residential consumers and small businesses.

In the period January to March 2020, my office received fewer fault and connection complaints about services delivered over the NBN compared to the same period in 2019.³ Between April and June 2020, complaint numbers were comparable to the same period in 2019.

Over the past financial year, an increasing number of services have been delivered over the NBN. 1,735,306 services were activated during Financial Year 2020, resulting in a total of 7,267,396 premises connected to the NBN by the end of the year.

For more information on complaints received by my office in Financial Year 2020, please see our [Annual Report Financial Year 2020](#), which was published today.

¹ This is a decrease from Financial Year 2019, when we received 132,387 complaints from residential and small business consumers

² This is a slight increase from Financial Year 2019, when we received 33,795 fault and connection complaints for services delivered over the NBN

³ See our January 2020 submission which contains volumes of fault and connection complaints about services delivered over the NBN, for five quarters starting from Quarter 1 Financial Year 2019.

As quarterly data continues to be updated, there may be slight changes to previously reported data within a financial year. This allows for complaints to be updated as more information is provided.

Impact of the COVID-19 pandemic on complaints

In July 2020, my office released a systemic investigation report '[Impact of COVID-19 on complaints](#)' (see **Appendix B**). The report explores key themes in complaints that emerged between March and June 2020 and highlights our work with telecommunications providers to address pandemic-related issues. This report is not confined to services delivered over the NBN.

Complaints received by my office showed consumers were relying more heavily on their services to work, study, and connect with friends and loved ones. Small businesses that moved to home-based operations were generally relying solely on telecommunications services to conduct their business.

From March 2020 onwards, demand for phone and internet services soared.⁴ The telecommunications industry worked individually and together to improve access to services and provide temporary financial relief for consumers and small businesses. Steps taken by the industry included NBN Co's offer to provide up to 40% more CVC capacity to internet providers (without extra cost) until 30 November 2020.⁵ The response from the industry helped support the new demand landscape and may have prevented a significant surge in complaints to my office.

While total complaint volumes in March – June 2020 did not change significantly from the same period in 2019, we identified three themes directly related to the pandemic. The themes were:

1. Consumers not being able to contact their provider
2. Fault and connection problems being more disruptive for consumers
3. Financial impacts on consumers starting to emerge.

Our systemic investigation revealed where more could be done by all parties in the supply chain to protect consumers, particularly those who are vulnerable. My office will continue to monitor what consumers are telling us about the impacts of COVID-19 and engage with telecommunications providers and NBN Co to improve the customer experience.

NBN Co helps my office resolve complaints about retail service providers

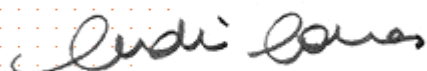
As an external dispute resolution scheme for unresolved complaints about phone and internet services obtained under contracts with retail service providers, my office primarily resolves complaints between consumers and their retail service providers. This means we refer fault and connection complaints to the consumer's retail service provider.

At times, we seek assistance from NBN Co in its capacity as a network provider to investigate and resolve a complaint about a service delivered over the NBN, under section 27 of the *Telecommunications (Consumer Complaints Handling) Industry Standard 2018*.

Where necessary, my office has worked constructively with NBN Co to resolve individual complaints, as well as raising and addressing more widespread issues. For instance, we have shared findings from our June 2020 systemic investigation report '[Addressing the causes of small business complaints](#)' (see **Appendix C**). We have also shared with NBN Co issues consumers have reported during the pandemic, such as technicians accessing a home or workplace against the backdrop of safety procedures or government rules.

I hope the information provided in this submission assists the Committee and the Inquiry.

Yours sincerely



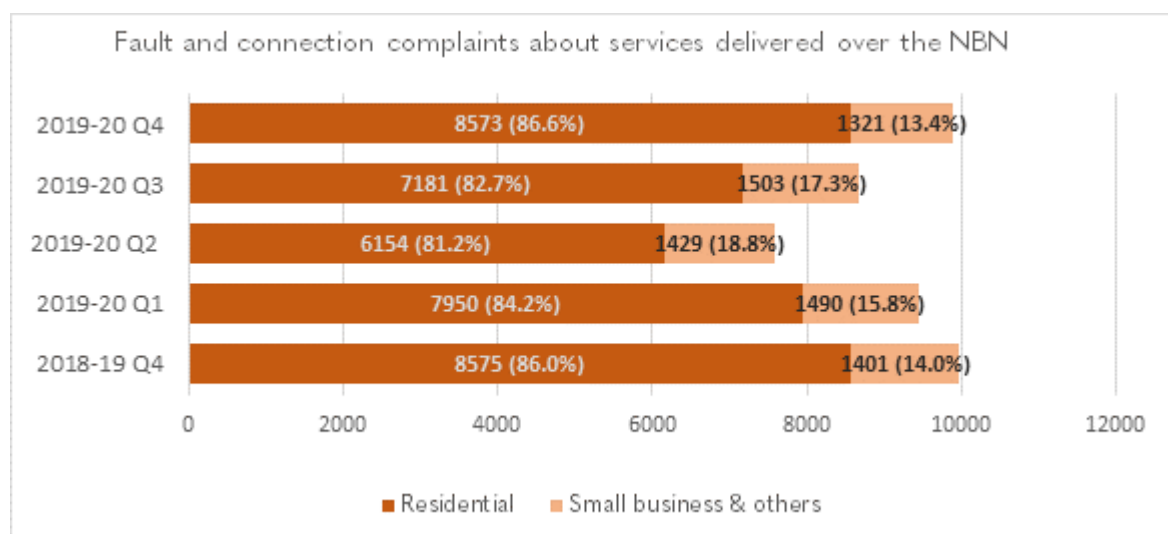
Judi Jones

Telecommunications Industry Ombudsman

⁴ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-continues-to-support>

⁵ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-extends-capacity-offer>

Appendix A





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.

“

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

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.

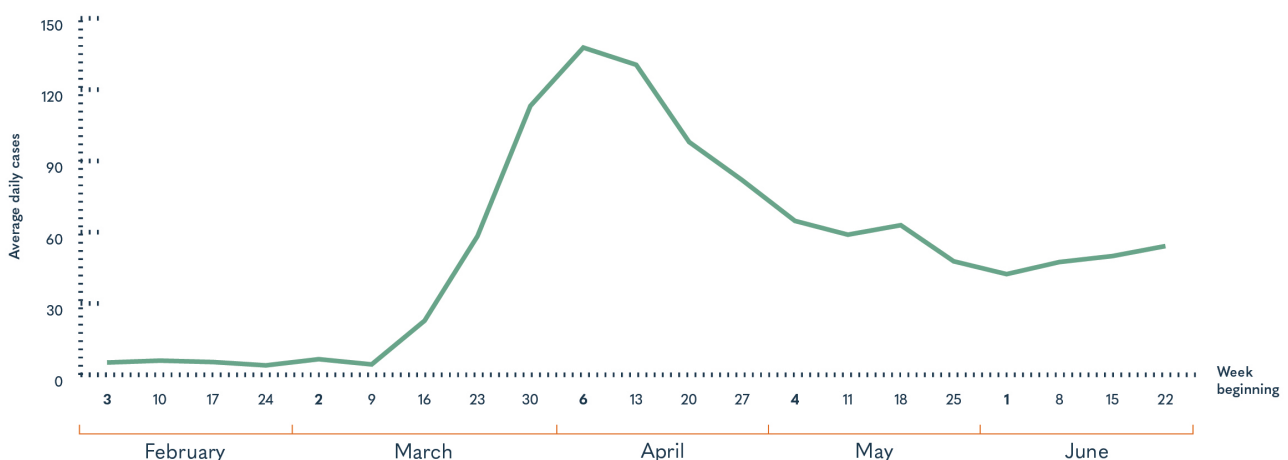
Providers implemented new ways to handle consumer queries until the offshore centres could return to full operation. These included:

- 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

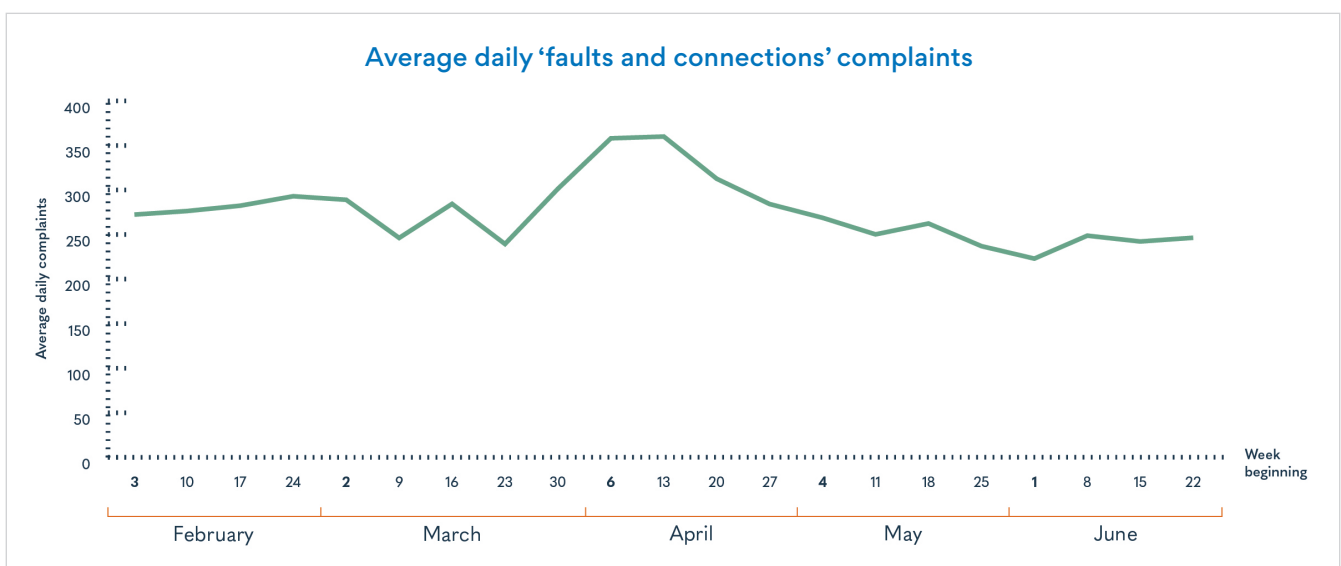
In May 2020, we identified a rise in complaints about delays in completing 'complex' transfers of phone numbers and services.

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,

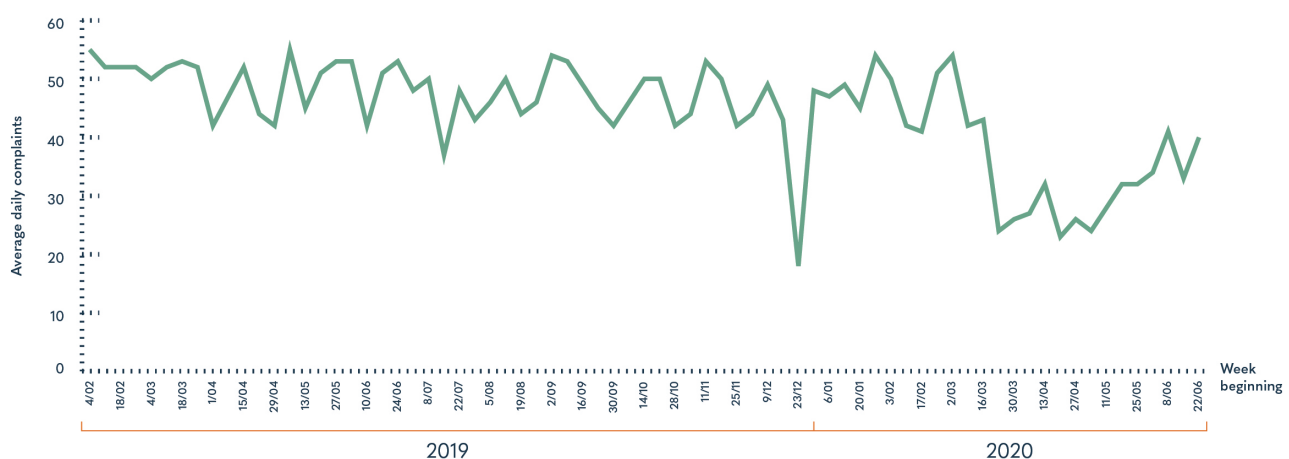
- establishing direct points of contact such as a dedicated phone number or online link for consumers to report financial issues, and
- responding to financial hardship complaints within 24 hours.

“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](#)



Telecommunications
Industry
Ombudsman



Addressing the causes of small business complaints

Systemic Investigation Report, June 2020



Telecommunications
Industry
Ombudsman

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Introduction from the Ombudsman

Last financial year, my office received more than 19,000 complaints from small businesses about problems with their phone and internet services.¹

This report shares the insights from our investigation into the causes of complaints from small businesses. It also recommends actions for both small businesses and phone and internet providers to prevent complaints and reduce the impact when things do go wrong.

We carried out this investigation before the devastating bushfires and COVID-19 pandemic brought unprecedented challenges to so many small businesses. While the top complaint issues reported to us by small businesses are so far unchanged,² the impact of these issues may very well be greater. During government restrictions to curb the pandemic, many small businesses became solely reliant on phone and internet services to continue operating. Our guidance around working together to fix faults and having a back-up plan may be crucial at this time.

“

We have found small businesses and providers both have a part to play in reducing complaints and minimising the impact of telecommunication problems.

Small businesses employ almost 2.2 million people and are responsible for 35% of Australia's Gross Domestic Profit.³ Keeping the



doors of small businesses open is important for the wellbeing of Australia's economy. Many small businesses rely heavily on phone and internet services for the day-to-day operation of their business. Problems with these essential services can have serious consequences and, when a small business cannot resolve a problem with their provider, they come to my office for help.

My office is committed to identifying and reporting on systemic phone and internet issues experienced by small businesses. Our insights drive improvements in the delivery of telecommunications services by raising awareness of recurring issues and recommending changes.

During this period of disruptive change, working together is key. We have found small businesses and providers both have a part to play in reducing complaints and minimising the impact of telecommunication problems.

1. [Telecommunications Industry Ombudsman Annual Report 2018-2019](#)

2. [Telecommunications Industry Ombudsman Quarter 3 FY20 Report](#)

3. [Small Business Counts – Small Business in the Australian economy](#), Australian Small Business and Family Enterprise Ombudsman, July 2019

Helpful guide for phrases used in this report



What are systemic investigations?

Systemic investigations are investigations into issues that have or are likely to have a negative effect on a number of consumers, including about:

- a. providers' systems, policies, processes or practices
- b. repeated non-compliance by a provider with the law, regulatory requirements or good industry practice, and
- c. widespread issues driving complaints, which may arise from general industry practices, gaps in consumer awareness or the broader regulatory and telecommunications operating landscape.



What is a small business?

Different laws and industries define a 'small business' in a range of ways.

The Telecommunications Industry Ombudsman takes a flexible approach, taking into account the number of employees (generally 20 or less), annual turnover (generally \$3 million or less) and type of organisation (for example, if the 'small business' is an Australian office of a large multinational company).



What are phone and internet products?

Phone and internet products cover both:

- Services, such as mobile services, landline services and internet services, and
- Equipment supplied for use with a service, such as telephones and modems.

Often phone and internet products are supplied under an agreement for a fixed period. This is commonly known as a 'plan'.

As Australian businesses transition to having their services delivered over the National Broadband Network (NBN), more business voice services will be delivered using an internet connection.

Providers of phone and internet products may offer products tailored to small businesses, with inclusions like installation by a technician, multiple telephone lines, business desk phones, call forwarding services, video conferencing, and 4G back-up services.

Complaints from small businesses

We are concerned to see a rise in the proportion of complaints from small businesses. Phone and internet services are critical for small businesses and their complaints involve varied issues and take time to resolve.

Small businesses increasingly rely on phone and internet

As the rollout of the NBN nears completion and Australia's mobile technology continues to expand, small businesses are more reliant than ever on their phone and internet services to connect with customers and support their operations.

The relationship between small businesses and their providers is vital to the businesses' ongoing success. Any issues between a small business and their provider in service delivery can have significant consequences.

The proportion of complaints from small businesses is increasing

Over the past three years, complaints from small businesses have increased as a proportion of all complaints received by the Telecommunications Industry Ombudsman. By Financial Year 2019, the proportion of complaints from small businesses reached 14.7% of all our complaints. While the number of

complaints received by the Telecommunications Industry Ombudsman fell overall in this year, complaints from small businesses did not fall as much as those from residential consumers.

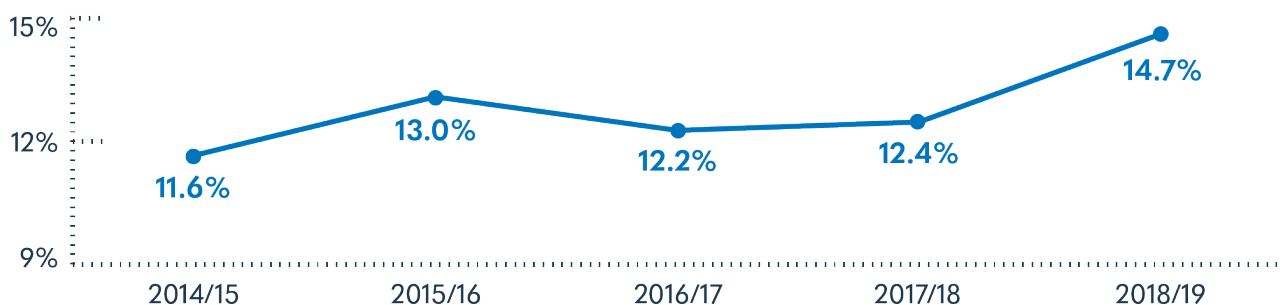
Complaint issues are varied and can take time to resolve

The types of issues which small businesses report experiencing are varied. Complaints from small businesses can take longer to resolve than complaints from residential consumers.⁴

In April 2019, in response to the increasing proportion and challenges of resolving phone and internet complaints from small businesses, we set up a Small Business Team. The team offers specialised assistance in conciliating and investigating the complexities of complaints from small businesses.

While the Small Business Team has allowed us to deal more efficiently with individual complaints from small businesses, the continuing trend showed more work needed to be done to understand the causes of these complaints.

Proportion of complaints from small businesses⁵



4. The median time that a small business complaint took to close was 16 days longer than the median time for residential complaints in Financial Year 2019.

5. Small business complaints include those received from Not-for-profit entities.

Top 10 complaint issues for small businesses

Financial Year 2019

No or delayed action by provider

The provider should have taken some action but hasn't done so.

6,684 (34%)

Service and equipment fees

The small business disputes charges for a service or equipment.

5,835 (30%)

No phone or internet service

The small business has no service at all.

3,506 (18%)

Delay establishing a service

There is a delay connecting, transferring, migrating, or relocating a service.

2,816 (14%)

Intermittent service or drop outs

The small business' service drops out or works one day but not the next.

1,795 (9%)

Resolution agreed but not met

The provider failed to resolve a problem after agreeing on a solution with the small business.

1,713 (9%)

Misleading conduct when making a contract

The provider misled the small business about a service, equipment, or future action of the provider.

1,033 (5%)

Termination fee

The small business disputes a charge for ending the contract.

980 (5%)

Disconnection in error

The small business has no service because of a provider's or carrier's mistake.

885 (5%)

Number problem due to connection, disconnection or transfer

There's a problem with a phone number because of a connection or transfer.

841 (4%)

We conducted a systemic investigation to find out the causes of complaints

In July 2019, our Systemic Investigations Team began an investigation to understand the causes of small business complaints and what might be driving the proportional increase.

The investigation looked at the main issues in the complaints, what we learn when we work with the parties to resolve the complaints, and the experiences of our specialist Small Business Team.

We also asked nine phone and internet providers of varying sizes about their experiences in supplying products to small businesses. Complaints about these providers collectively represented 90% of all complaints we received from small businesses last financial year.



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With **businesses increasingly reliant on internet for aspects of their business**, it is understandable that the business would react negatively if their internet service is not working for whatever reason. The reality however is that no service is sold with a guaranteed 100% up time, and **sometimes the remedy can involve significant delays...**

– Provider

The four main causes of complaints and how to address them

Our investigation found four main causes of complaints from small businesses and we make recommendations on ways both small businesses and providers can address them. At a high level, our findings are:

1

Small businesses may commit to products unsuitable for their needs

When choosing phone or internet products, small businesses have many more options to consider than residential consumers. The costs of getting these options wrong, particularly when combined with poor sales experiences, can lead to complaints.

We recommend small businesses and providers identify the business' needs, consider suitable options and focus on key relevant terms before an agreement is signed.

2

Connecting new services for small businesses can take time

It often takes more time to connect new phone and internet services for a small business compared to a residential consumer. The number and type of services may affect the time needed to complete the connections. Small businesses may experience particular issues with delayed connections, such as having to move to new premises without working services or difficulties with setting up premises for connection to the NBN.

We recommend small businesses and providers minimise the risks when connecting new services by checking that the business address is correct, communicating about expected connection timeframes or delays and planning for enough connection time.

3

Providers and small businesses don't always work well together when faults occur

When small business services are impacted by faults, cooperation is often required to have faults fixed promptly. Problems can arise if small businesses and providers are not responsive about troubleshooting or not communicating well with each other or with other parties (such as network providers and equipment suppliers).

We recommend small businesses and providers adopt a more cooperative approach to fixing faults. While the resolution process can be frustrating, a focus on shared responsibility and effective communication during fault periods can reduce the time it takes to fix the problem.

4

Small businesses may suffer financial loss if they don't have a back-up

While most small businesses rely on phone and internet services, many do not have a back-up plan in place if a fault interrupts the services. When small businesses don't take steps to reduce the impact of a fault, it can cause loss of income and make it harder for the business to ask for compensation from their provider.

We recommend small businesses and providers ensure there's a back-up in place if phone or internet services are disrupted.

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Small business complaints can be really **tricky to resolve and there's often multiple causes.** For instance, a small business complained to us because their services weren't working. While both parties were trying to fix this, the small business was also incurring business loss. In the end, **it was clear the fault was partly caused by the small business being sold an unsuitable product.**

– Telecommunications Industry
Ombudsman staff member

Finding 1: Small businesses may commit to products unsuitable for their needs

When choosing phone or internet products, small businesses have many more options to consider than residential consumers. The costs of getting these options wrong, particularly when combined with poor sales experiences, can lead to complaints.

Choosing small business products is difficult

Small businesses must make many choices when signing up for phone and internet services and equipment to support those services. For instance, they must decide:

- whether to sign up for a business plan or a residential plan
- whether to lease or buy communication equipment
- how many phone lines and numbers they need, and
- what level of internet bandwidth they need to support their business activities, like video conferencing and cloud-based applications.

Each decision could have lasting consequences for the business. For example, providers said small businesses often buy residential plans to reduce costs but expect business-grade technical support when a service fault occurs.

There are common areas of misunderstanding about small business products

Small businesses may commit to a product only to later find key features of the product are different to what they understood and needed.

Our complaint data shows service and equipment fees and equipment leases are two key areas of product misunderstanding by small businesses.

In the last financial year, service and equipment

fees were the second most complained about issue raised by small businesses. Complaints may be about the minimum monthly cost of the service, the fees to transfer business numbers from a previous provider or who should pay technician costs. Most providers identified fees as a commonly misunderstood area for small business customers.

Leasing of equipment is also commonly misunderstood. Alongside selling phone services, some providers offer a lease of office phone equipment. These agreements are often with a third-party leasing company and can be up to 60 months, which may be longer than the agreement for services offered by the provider. Some small businesses say they were not aware they had an agreement with a separate company, while others did not know they were leasing the equipment.

Small businesses may be impacted by misleading sales

When navigating complex options, small businesses may rely heavily on the advice of a provider's salesperson. Most providers said they had business-focused salespeople to help small businesses find suitable products.

However, our complaints show small businesses are sometimes receiving poor advice or even misinformation about the product.⁶ This can lead to the small business signing up for services or equipment they do not need or are not

6. In Financial Year 2019, misleading conduct was the seventh most complained about issue raised by small businesses and featured in 5% complaints from small businesses.

suitable for their business. We see the risk of misleading conduct increase when providers use third-party sales channels where they have limited oversight of sales practices.

In one case we investigated, a provider told a small business it needed new phone equipment to transfer to the NBN when the business' existing equipment was already compatible. Another provider promised a small business it would pay out an existing phone equipment lease, but left the small business owing \$13,000 to its previous leasing company.

Investigating a pattern of poor sales practices

When we identify a pattern of poor sales conduct from a provider, we may begin a systemic investigation. We work with the provider to help it improve its sales practices. If a systemic issue cannot be resolved or we have significant concerns about a provider's non-compliance with laws and codes, we will refer the matter to regulators to consider enforcement action.

Recommendations for small business

- 1. Consider your business needs.** Before you enter an agreement, take the time to consider the phone and internet needs of your business. Know your budget. Know the length of time your business can commit to. Shop around for the right product.
- 2. Be aware of sales pressure.** Even if you're feeling pressured by a salesperson (whether in store or at your business), don't rush your decision. Feel free to ask for an unsigned copy of the agreement you or an adviser can review later.
- 3. Understand what you're signing.** Carefully read the agreement and ask the provider to explain any terms you are uncertain about before signing. If you think a product does not meet the needs of your business, ask the provider about alternatives.
- 4. Keep a full record of what you agreed to.** If you and the salesperson have agreed to special terms, ask the salesperson to record these terms before you sign the agreement. Keep a copy of the signed agreement for your records.

Recommendations for providers

- 1. Understand the business.** Discuss the small business' needs to identify relevant service and equipment options. This includes whether a business or residential service plan is suitable. Be clear about any assumptions made in recommending an option.
- 2. Train and monitor sales staff.** Train and monitor sales representatives (including third-party sales channels) to ensure they don't mislead customers and they promote and sell products in a manner that is fair, transparent and accurate.
- 3. Provide balanced and clear information.** Explain key terms to the small business, including:
 - ⦿ the agreement length
 - ⦿ the cost to cancel the contract early
 - ⦿ inclusions and exclusions relevant to the consumer's business, and
 - ⦿ details of any third parties involved in equipment leases.
 Do it in a way customers can understand.
- 4. Keep a full record of the sale.** Ensure copies of signed agreements and any surrounding documents are kept. This can assist in resolving any complaints that arise.

Case study

Santo's travel agency was misled about an equipment lease

Santo runs a small travel agency and has four telephone lines with Confidence Networks.

He was not happy with how high his phone bills were and went to a Confidence Networks store to see whether it offered a cheaper telephone plan.

The sales agent at Confidence Networks offered Santo a three-year agreement that included four telephone lines and office telephone equipment. Santo accepted the offer as it was cheaper than his existing plan.

Three years later when Santo asked Confidence Networks about signing up to a new plan, it told him his equipment lease still had two years to go. When Santo queried this, Confidence Networks said he had previously accepted two agreements – a telephone service agreement for three years and a telephone equipment lease agreement for five years. It said Santo could pay \$6,000 to exit the lease agreement early.

Santo contacted the Telecommunications Industry Ombudsman to complain, saying the sales agent at Confidence Networks had not told him about the lease agreement, but had talked as though both the service and equipment were part of a three-year agreement. Santo said he would not have agreed to a five-year lease plan and said he wanted Confidence Networks to cancel his agreement without charging an early exit fee.

During the Telecommunications Industry Ombudsman's handling of this complaint, Confidence Networks agreed to release Santo's business from the lease agreement without charging an early exit fee.

Names of individuals and retail providers have been changed.



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We see complaints where small businesses have **cancelled a lease agreement early** and dispute the early termination fees charged by the lease company, often saying **the fees were disproportionately high**. The dispute is particularly complicated where the small business also claims the equipment or the service is faulty.

– Telecommunications Industry
Ombudsman staff member

Finding 2: Connecting new services for small businesses can take time

It often takes more time to connect new phone and internet services for a small business when compared to a residential consumer.

The number and type of business services involved in a connection may affect the time a provider needs to complete a connection. Small businesses may experience particular issues with delayed connections, such as having to move to new business premises without working services or difficulties setting up business premises for connection to the NBN.

In Financial Year 2019, delay in establishing a service was the fourth most complained about issue raised by small businesses and featured in 14% of complaints from small businesses.

Connecting multiple types of services is complex

Connecting services becomes more complex with each additional service type included in the request. For example, connecting multiple office landlines, a fax line and internet services onto the NBN will often take more time than connecting a simple internet and landline service.

One provider said some extra steps needed to connect services for small businesses included site audits, design of the installation and multiple technician visits.

Misaligned address information can prevent connection to the NBN

When connecting services over the NBN, delays occur when the address information supplied by the small business does not align with the information in NBN Co's systems.

NBN Co assigns a unique location identification number (**Location ID**) to each "addressable premise" for connection to the NBN. We have seen complaints where the address of a business causes Location ID issues:

(a) Multiple businesses with one Location ID

Small businesses operating from a shopping strip or office building may unknowingly share a Location ID with nearby businesses. This is because in the pre-NBN environment, one phone line could supply multiple services to separate businesses.

To successfully connect each business to the NBN, an individual Location ID must be created for each business address.

Small businesses often become aware of a Location ID issue when another business sharing the same phone line applies to connect to the NBN using the common Location ID and unintentionally disconnects their service.

(b) Inconsistencies in how a business address is recorded

At times, the address used by the small business is different to the small business' address on NBN Co's database.

For example, a postal address of Shop 1, 12 High Street could be recorded on NBN Co's database as 1A/12 High Street. If the small business applies

to connect a service at Shop 1, 12 High Street, this will not match the address on NBN Co's systems. The connection order form must be updated to 1A/12 High Street before the business can be connected.

Small businesses may not allow enough time to transfer their services onto the NBN

Providers told us some small businesses do not allow enough time to transfer their services onto the NBN, leaving them at risk of having their

existing pre-NBN services disconnected before the transfer can take place. This can cause immediate disruption to day to day operations, especially when the small business has lost use of their advertised business numbers.

In Financial Year 2019, delay in establishing a service was the fourth most complained about issue raised by small businesses and featured in 14% of complaints from small businesses.

Recommendations for small business

- 1. Check your business' address.** When filling out an application form for an NBN service, check the business address you've provided matches the address in your lease agreement or utility bills. Tell your provider if your business operates from a shared office space, shopping strip, or shopping centre.
- 2. Allow enough time for connection.** Allow your provider enough time to process your connection request, especially if you have multiple numbers or additional services (such as fax lines). Ask your provider for an estimate of connection time.
- 3. Keep existing phone services active.** When waiting for a new phone service to be connected, keep your existing phone service active. This is necessary because your provider can't transfer a phone number associated with a disconnected service.

Recommendations for providers

- 1. Verify the business' address.** When processing an NBN order for a business address, verify the address by asking the customer to provide supporting information. Confirm with NBN Co the correct Location ID has been assigned, particularly where the NBN service will be connected in a shared office space, shopping strip or shopping centre.
- 2. Pass on the business' access information.** So a connection appointment can be arranged, pass on access information about the small business to NBN Co, such as:
 - ☉ The business' address and contact details
 - ☉ The business' hours of operation
 - ☉ Any special access details a technician would need to know
- 3. Communicate about delays.** If unexpected delays occur, contact the customer regularly with updates and provide realistic timeframes about upcoming actions.

Case study

Takeaway restaurant owner Jean-Pierre puts wrong address in connection order form

When Jean-Pierre decided to open a takeaway restaurant, he leased a restaurant space at 'Shop 9' of a small shopping strip. He asked SparrowNet to connect a landline and internet service there.

SparrowNet tried to connect Jean-Pierre's services on the NBN network, but each time it tried, the connection request failed.

After around six months, the services were not connected and Jean-Pierre contacted the Telecommunications Industry Ombudsman to complain. He said he was concerned about the delay and wanted make sure the services were connected before the restaurant opened.

With the involvement of the Telecommunications Industry Ombudsman, Jean-Pierre and SparrowNet found a mismatch in the shop's address on the connection application and the legal address in NBN Co's systems. While

Jean-Pierre's restaurant was informally known as 'Shop 9', the legal address was 'Shop 3, Lot 2'. The difference in addresses meant the connection request could not be completed.

Jean-Pierre gave a copy of his lease agreement to SparrowNet and NBN Co. SparrowNet updated the address information on the connection request and was able to connect the services.

Names of individuals and retail providers have been changed.



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This is the **single most stressful event in my business career**, I am literally **dependant on this service for the survival** of my business and my family's livelihood...

– Small business

Finding 3: Providers and small businesses don't always work well together when faults occur

When small business services are impacted by faults, cooperation is often required to have faults fixed promptly. Problems can arise if small businesses and providers are not responsive about troubleshooting or not communicating well each other or with other parties (such as network providers and equipment suppliers).

In Financial Year 2019, three of the top 10 complaint issues for small businesses included no or delayed action by provider (34%), no phone or internet service (18%) and intermittent service or drop outs (9%).

Small businesses and providers have different views about troubleshooting

When it comes to fixing faults, we found very different perspectives between small businesses and providers.

Small businesses believe providers should do more to restore their services. Small businesses tell us providers often ask them to complete the same troubleshooting steps rather than escalating the fault. While troubleshooting is a useful tool that identifies and resolves many service issues, it is important that providers have clear pathways so faults progress through appropriate steps until the issue is resolved.

Meanwhile, providers said small businesses:

- can be reluctant to work with the technical support team
- should take a proactive approach to repairing their services, and
- can expect repair of equipment or internal network issues that fall outside the provider's responsibility.

Fixing a fault may involve other parties

When faults with services occur, a retail provider may need to engage with the network provider about diagnosis and repair of the fault. Providers must maintain sufficiently detailed accurate records about the fault and actions being taken to rectify the fault, as well as coordinate communication between the small business and the network provider.

Information required to rectify faults includes detailed information about the business' address, the business' hours of operation and any special access considerations a technician may need to know for the business premises.

Poor communication between a small business, provider and network provider can cause uncertainty about the next steps needed to repair a fault and can cause delays in restoring services.

If a small business has services or equipment supplied through third party providers, the third party may be responsible for issues that affect services or equipment. Taking the time to establish who the relevant party is can reduce the time it takes to report an issue and restore a service.

Recommendations for small business

1. **Know who is responsible for fixing the fault.** If a fault arises, check your phone and internet agreements to ensure you're contacting the right party for assistance.
2. **Be part of the solution.** Make yourself or your staff available to complete troubleshooting of the fault. Keep a record of the troubleshooting steps you've taken.
3. **Actively communicate with the provider.** Maintain regular contact with your provider, answer questions and supply information you think will help identify the cause of the fault.
4. **Be realistic.** Your phone or internet fault may not be resolved overnight. During this time, discuss options with your provider about how you can keep your business running.

Recommendations for providers

1. **Clearly explain troubleshooting steps.** When a fault is reported, staff should explain what steps may need to be taken to fix the fault and an estimate of how long it will take.
2. **Build progressive pathways.** Progress small businesses through troubleshooting steps until a fault is fixed. Avoid repeated troubleshooting "loops" and escalate the issue when necessary. Consider setting up a dedicated business team that resolves queries from start to finish.
3. **Actively communicate with the customer.** Communicate frequent updates and information about the steps being taken to restore the service.
4. **Monitor technician appointments.** If a technician appointment is required, check in with the small business the day before and after the appointment to ensure that the appointment went ahead as planned. Notify small businesses as soon as any delays arise.

Case study

Ling's dental clinic works together with Leaf Internet and NBN Co to repair services

Ling's dental clinic has its phone and internet services with Leaf Internet. Customers make appointments by calling the clinic's advertised number or online through its website.

When the clinic's services moved to the NBN, the phone did not work and the internet began dropping out. This meant customers could not make bookings by phone or online and the clinic could not process payments using EFTPOS.

Ling reported a fault to Leaf Internet and it began troubleshooting the issues with her.

Further issues arose during troubleshooting, including delays redirecting incoming calls from the business number to a back-up mobile service and technicians who did not turn up to scheduled appointments.

After three months, Ling contacted the Telecommunications Industry Ombudsman to complain. She said she wanted Leaf Internet to fix the phone and internet service and to pay compensation for the loss of business the clinic experienced while the services were not working.

During the Telecommunications Industry Ombudsman's involvement with the complaint, NBN Co also offered to assist.

Through Ling's patience and cooperation, Leaf Internet and NBN Co resolved all the clinic's internet and telephone faults. Leaf Internet agreed to cover the dental clinic's service fees for the past three months and paid a further \$3,000 in compensation.

Names of individuals and retail providers have been changed.



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My small business in a rural area is **totally dependent on my landline service for business**, as there is no passing trade.

– Small business

Finding 4: Small businesses may suffer financial loss if they don't have a back-up plan

While most small businesses rely on phone and internet services, many do not have a back-up plan in place if a fault interrupts the services. When small businesses don't take steps to reduce the impact of a fault, it can cause loss of income and make it harder for the business to ask for compensation from their provider.

Faults can have significant impacts on small businesses

Regardless of providers' efforts to deliver a continuous service, there will be times when faults occur.

A fault that affects a small business' phone and internet services may significantly impact day to day business operations such as receiving calls on an advertised number, backing up files and taking payments using EFTPOS. These may inconvenience customers and slow or stop trade until the problem is repaired, affecting the financial position of a small business. Faults that are not repaired over extended periods may, at times, lead to a business closing.

Not having a back-up plan may cause financial loss and affect a claim for compensation

Many small businesses who contact the Telecommunications Industry Ombudsman about faults also say they want their provider to pay compensation to cover financial losses.

In September 2019, we began recording small business complaints where a claim for business loss was made. Between September 2019 and March 2020, we received 1,101 complaints that included claims for business loss compensation.

When investigating a claim for compensation, the Telecommunications Industry Ombudsman will consider whether the provider is liable to pay compensation and, if so, whether the small business took reasonable steps to minimise the impact of their service not working.

Ideally, small businesses should have a strategy in place to move to back-up services if their primary services fail. With planning, small businesses can protect themselves from some of the financial losses caused by an outage.

Some steps small businesses can take to protect themselves are:

1. When a telephone service fails, ask the provider to divert incoming calls to a mobile phone number
2. When a telephone number is lost, advertise an alternative number on the small business' website and social media pages
3. When an internet service fails, purchase a mobile internet device.

Recommendations for small business

1. **Be prepared.** Prepare a back-up plan in case there's a fault with your phone or internet services. Consider what alternative services your business can rely on and what you can do to stay in touch with your customers. Check whether your provider offers interim services when faults occur.
2. **Protect your business.** Contact your provider to report the fault and take steps to protect your business. For instance:
 - © When a telephone service fails, ask the provider to divert incoming calls to a mobile phone number
 - © When an internet service fails, purchase a mobile internet device
 - © When a telephone number is lost, advertise an alternative number
3. **Be prepared if you want to claim compensation.** To claim compensation for business loss, you will need to show the steps you took to protect your business and demonstrate the loss you incurred as a result of your provider not meeting its obligations.

For more information about claiming compensation, please see our Factsheet [Consumer guide to compensation for financial loss](#).

Recommendations for providers

1. **Encourage customers to think about a back-up plan.** Encourage customers to consider what back-up services their business could need during a fault. Tell them about any interim back-up services offered such as a modem with 4G back-up.
2. **Offer solutions when a fault occurs.** When a fault occurs, give an estimate of how long it will take to fix so the customer can take steps to protect their business. Offer interim services and give the customer advice on minimising the impact of the fault.

Case study

Dr Priya's compensation claim is rejected

Dr Priya runs a medical clinic and has phone and internet services with ReliableNet. The clinic uses its internet service to process EFTPOS payments and Medicare claims.

The clinic moved and Dr Priya asked ReliableNet to transfer the services to the new address. It took two months to get the service working at the new address.

Dr Priya says during the two month period, the clinic could not process payments or Medicare claims. She said as a result of this the clinic had to turn away several patients and lost business.

Dr Priya contacted the Telecommunications Industry Ombudsman to complain, saying she wanted ReliableNet to pay compensation for the clinic's reduced income during the fault period.

However, the Telecommunications Industry Ombudsman did not consider it was fair and

reasonable for ReliableNet to compensate Dr Priya for her business losses because she did not take reasonable steps to protect her business.

The technical information for Dr Priya's EFTPOS and Medical claim device showed that the device could have worked using any internet connection, not just a wired internet connection from the office. This means Dr Priya could have purchased a wireless internet device to keep using her EFTPOS device while waiting for a more permanent connection.

Names of individuals and retail providers have been changed.



Case study

Daniel's beauty salon is paid \$10,000 in compensation for business loss

Daniel operates a beauty salon and has a telephone and internet service with Brave Networks. Clients contact the salon by telephone to make appointments.

The salon's telephone and internet services became faulty during a peak period. When Daniel reported a fault to Brave Networks, it said it would take some time to restore the service.

As a back-up measure, Daniel asked Brave Networks to divert the business number to his mobile so he could continue to take appointments. Brave Networks agreed to do this, but accidentally diverted the calls to an unknown mobile number.

The fault continued for five months. Although Daniel contacted Brave Networks frequently throughout this time for assistance, it did not

correct the diversion issue. As a result of this, Daniel says he lost around 90% of the bookings he would normally have taken during that time.

Once his service was restored, Daniel asked Brave Networks to compensate him for the amount his business lost during that five-month period.

The Telecommunications Industry Ombudsman found Brave Networks had not taken reasonable steps to help Daniel continue normal business operations during the fault. To resolve Daniel's complaint, Brave Networks paid \$10,000 compensation to Daniel.

Names of individuals and retail providers have been changed.



Tip sheets for small businesses and providers

[Click here to read the tip sheet for **small businesses** on reducing phone and internet problems](#)

[Click here to read the tip sheet for **phone and internet providers** on assisting small business customers](#)



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