

6 September 2021

The Manager
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Australian Communications and Media Authority
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Submitted online at: https://www.acma.gov.au/form/consultation-test-beta?source_entity_type=node&source_entity_id=3288

Dear ACMA

Consumer vulnerability: expectations for the telecommunications industry

Thank you for the opportunity to comment on the ACMA's draft statement of expectations for the telecommunications industry. It has been pleasing to see the ACMA continuing its focus on protecting consumers as part of its compliance priorities for financial year 2021-2022.

We support the ACMA's work to set out expectations for the telecommunications industry when interacting with consumers in vulnerable circumstances. The five proposed priority areas, outcomes, and examples are relevant and may be helpful for providers.

The ACMA could consider expanding the definition of vulnerability and some of the priority areas to clarify expectations, and I have expanded on this below.

1. The definition of vulnerability could be expanded

We broadly support the ACMA's definition of vulnerability as proposed in the statement of expectations. It is useful to frame vulnerability as circumstances that create risks of harm, detriment, or disadvantage in consumers' interactions with the telecommunications market. The existence of any of these circumstances does not necessarily mean a consumer is experiencing vulnerability.¹ Conversely, consumers experiencing vulnerability can be impacted by a combination of circumstances, some of which may intersect and interact. To respond to the complexity and ensure consumers' ability to represent themselves is not adversely impacted, providers need to be flexible in their approaches.

The definition of vulnerability could also include a list of factors that could potentially harm consumers experiencing vulnerability. In addition to 'specific life events and difficulties' and 'personal and social characteristics', a third category could be added of 'market factors'.

¹ A useful discussion of defining consumer vulnerability can be found in the Thriving Communities Partnership (TCP) report, [Understanding Vulnerability](#), TCP website, October 2019.

Market factors could include provider actions that sometimes cause a consumer to experience an increased risk of harm, or pose a barrier to equitable access.² Provider actions can include high-pressure sales tactics and sales commissions.

We would also encourage the use of person-first language throughout the statement of expectations. For example, all references to “vulnerable consumers” should be replaced with “consumers experiencing vulnerability”. This recognises that vulnerability can be temporary and happen to anyone at any time, rather than being an inherent characteristic of a person.

2. Some priority areas could be expanded to include a broader range of circumstances

2.1 Priority area 1 (internal business practices)

We support the ACMA’s focus on improving providers’ systems and staff training. The statement of expectations could include a greater focus on improving culture within providers. For example, the third and fourth outcomes on page 12 of the proposed statement of expectations refer to staff who interact with consumers. This could be expanded to include all staff, which would recognise that staff who do not deal directly with consumers can also affect outcomes for consumers experiencing vulnerability.

2.2 Priority area 2 (selling and contracting)

We are pleased to see the focus on preventing providers from selling products and services to consumers who do not need or understand them. We explore this issue in detail in our systemic report *Helping telco consumers sign up for the right phone and internet products*.³

Our systemic investigation report revealed consumers do not always understand what they are signing up for and sometimes the way a provider advertises or sells a product or service can contribute to that misunderstanding. Unclear information can lead to problems for both providers and consumers.

The example provided on page 13 of the proposed statement of expectations suggests offering consumers alternative or low-cost options when appropriate. The ACMA could also note that an example of better practice could include all providers offering as standard a low-cost home internet plan.⁴

2.3 Priority area 4 (financial hardship)

We support the ACMA’s focus on financial hardship and flexible approaches to financial hardship arrangements. This priority area reflects many of the findings and recommendations made in our recent systemic investigation report *Responding to consumers in financial hardship*.⁵

Our office receives complaints from consumers who say they are unable to pay their phone or internet bills due to financial hardship. It is critical that providers offer accessible and flexible hardship assistance to consumers, particularly as the impact of the COVID-19

² TIO, [Sales Practices Driving Consumer Debt](#), TIO website, 28 Feb 2019.

³ TIO, [Helping telco consumers sign up to the right phone and internet products](#), TIO website, 17 May 2021.

⁴ ACCAN, [No Australian Left Offline: ACCAN pushes for affordable broadband](#), ACCAN website, 11 February 2019.

⁵ TIO, [Responding to consumers in financial hardship](#), TIO website, 1 September 2021.

pandemic and lockdowns continues to be felt. Consumers experiencing hardship often tell us they are willing to pay their bills but require the support of their provider to manage payments. We receive complaints from consumers whose providers do not offer this support.

We support the outcomes and examples in the proposed statement of expectations. The ACMA could also consider including specific examples of actions providers can take. For example, we receive complaints from consumers about the maximum length of time they are given to pay off a debt. Consumers tell us paying a large debt, which can sometimes be several thousands of dollars, in six to 12 months is not possible, particularly for those with multiple debts.

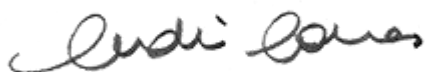
This priority area could be expanded to specify payment arrangements should not be based on arbitrary factors, such as maximum timeframes, but rather on a consumer's individual financial capacity.

2.4 Priority area 5 (disconnection)

We support the ACMA's proposed goal that disconnection is used as a last resort. This is particularly important given the increased number of consumers who are required to rely on phone and internet services during the current COVID-19 pandemic to work and study from home. It is also critical that consumers who are experiencing family violence stay connected to a service in order to contact emergency or support services.

This area could be expanded to suggest providers should keep such consumers connected whenever possible. Where keeping the consumer on their original plan is not possible, providers could offer a flexible range of alternatives, such as converting a post-paid plan to a prepaid service.

Yours faithfully

A handwritten signature in black ink that reads "Judi Jones". The signature is written in a cursive, flowing style.

Judi Jones
Telecommunications Industry Ombudsman