



Investigating complaints about essential mobile services

Systemic Investigation Report, July 2022



Telecommunications
Industry
Ombudsman

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Introduction from the Ombudsman, Cynthia Gebert



In today's world, many of us consider our mobile phone service as essential to daily life.

We rely on our mobile service to bank, shop, access health and government services, and connect socially. During a natural disaster or other emergency, a mobile may be our only way to receive emergency information or stay connected.

Consumers tell us their lives are disrupted when things go wrong with their mobile service.

Between July 2020 and March 2022, my office received over 63,000 complaints about mobile services. These are typically complaints providers have been unable to resolve.

We analysed the issues faced by consumers and providers, and this report highlights our findings and recommendations.

We also highlight the important stories of consumers we met during community outreach events in a first for a systemic investigations report. These stories highlight the challenges faced by consumers to stay connected during devastating disasters, or in rural or remote areas.

We acknowledge many providers have recently improved their selling practices. However, we found that some providers still face challenges in ensuring responsible selling of mobile services and devices to consumers – particularly in an in-store environment.

We also found some consumers experienced poor outcomes where they could not speak with their provider or were not offered flexible payment methods. In some cases, this resulted in consumers losing some or all of their mobile services.

Complaints about service reliability can be complex and difficult to resolve. Given the impact on consumers where mobile service is disrupted, effective communication about service issues and outages is essential.

We hope the issues and findings in this report inform industry, regulators and government policymakers in responding to issues driving complaints about mobile services.

Closing existing regulatory gaps, and improving provider awareness of the issues driving complaints, are the first steps to better outcomes for mobile consumers, providers and the telecommunications industry.

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 or a particular type of consumer, including about:

- (a) a provider's systems, policies, processes, or practices
- (b) repeated conduct by a provider that indicates potential non-compliance 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 are mobile products and services?

Mobile products are mobile handsets or other accessories that can be used with the handset. Examples of accessories are headphones, speakers, cases or chargers.

Mobile services are the plans consumers purchase from providers, typically including calls, data, or other add-ons. Examples of add-ons include international call allowances, phone protection or access to sports channels.

Mobile products and services can be:

- **Post-paid** – the consumer can use the products while paying them off in monthly instalments.
- **Automatic payments** – the consumer pays an agreed set amount up-front each month, and payments occur via direct debit.
- **Prepaid** – the consumer pays in full before using the service.



What is self-service?

In this report, **self-service** describes any method of customer service where the customer does not need to communicate directly with a person to make changes to their account or get help.

Examples include:

- logging into their account online or through a mobile app
- interacting with a chatbot
- calling a phone number and selecting options, such as by using an Interactive Voice Recording (IVR).

Mobile services are our most complained about service type

Complaints about mobile services have been increasing as a proportion of our overall complaints since July 2020. These complaints cover a variety of issues, including mobile service quality, billing issues, and problems with equipment consumers have purchased from their provider.

Mobile services have become our dominant complaint type

We categorise each complaint made to our office by service type - Landline, Internet, Property, or Mobile. If the complaint is about more than one of these service types, we mark it with the 'Multiple' service type.

Between 2019 and 2020, consumers generally complained about internet services more than other service types. However, over the past two financial years, we have seen a shift in trends. While our overall complaint numbers have decreased in the period, our complaints about mobile services have remained more stable. This means complaints about mobile services have increased as a proportion of our overall complaints.

Complaints about mobile services made up 32.7% of complaints in the period between July 2020 and June 2021¹, and peaked at 42% in the second quarter of this financial year.²

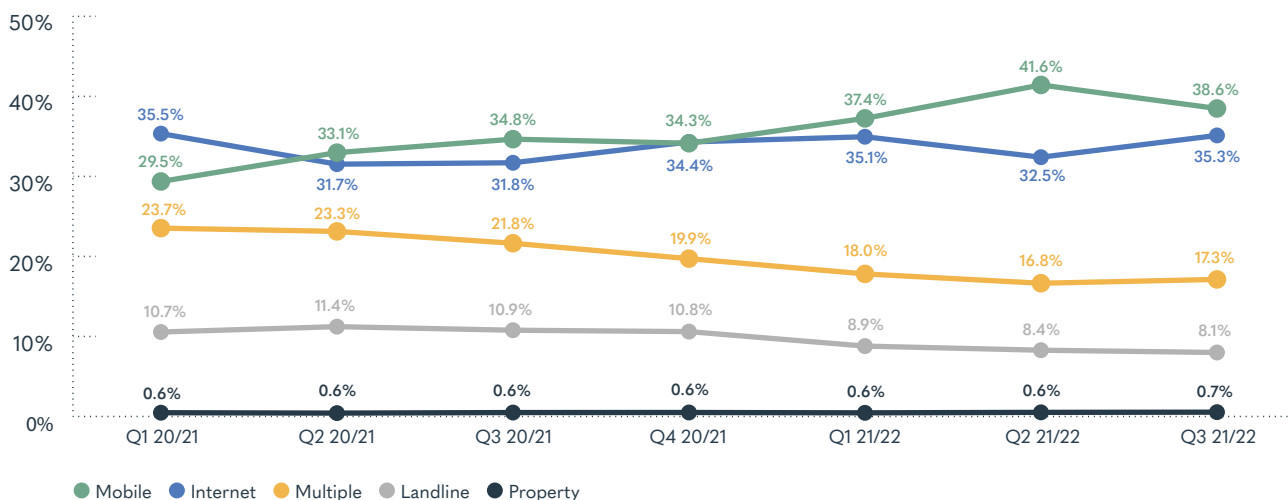
Mobile issues are different

In addition to categorising complaints by service type, we also categorise our complaints by the issues that appear within each complaint.

The following page highlights the issues concerning mobile consumers for the period July 2020 to March 2022.

Several of these issues are prominent for mobile services and rarely appear for other service types. For example, complaints about misleading sales conduct and unsuitable payment options, while not a substantial proportion of our overall complaints, are higher for mobile services than for the other service types combined.

Chart of complaint proportions by service type July 2020 to March 2022



1. Telecommunications Industry Ombudsman, [Annual Report 2020-21](#), Page 45.

2. Telecommunications Industry Ombudsman, [Quarter 2 Complaints Report \(FY2022\)](#).

Top 10 complaint issues for mobile services

1 July 2020 – 31 March 2022

| # | Issue ³ | Complaints |
|----|--|------------|
| 1 | No or delayed action by provider The provider should have taken some action but has not done so. | 27,386 |
| 2 | Service and equipment fees The consumer disputes charges for a mobile service or mobile equipment. | 22,189 |
| 3 | Resolution agreed but not met The provider agreed to do something to resolve a complaint, but did not complete that action. | 6,791 |
| 4 | Poor mobile coverage The consumer's mobile doesn't have coverage where the consumer wants it to work. | 5,811 |
| 5 | Mobile equipment fault The consumer's mobile is faulty in a way that prevents them from using their mobile service. | 4,192 |
| 6 | Misleading conduct when making a contract The provider misled the consumer about a mobile service, mobile equipment, or a future action of the provider. | 3,727 |
| 7 | Variation of the contract by provider The provider has changed a mobile plan, with or without notice to the consumer. | 3,356 |
| 8 | Provider is uncontactable The provider cannot be contacted by the consumer, such as when it does not answer calls. | 2,821 |
| 9 | Restricted quality of service A service quality issue is preventing the consumer from using part of their service (for example, they can make calls but cannot send an SMS). | 2,741 |
| 10 | Delay in connecting or transferring a mobile service The consumer has purchased a new service or changed providers, and there is a delay in getting their service working. | 2,522 |

Other top mobile issues in this period

| | | |
|----|--|-------|
| 11 | Failure to cancel a service | 2,473 |
| 12 | Termination fee | 2,261 |
| 13 | Barring, suspension or disconnection | 2,189 |
| 14 | Bill unclear or not received | 2,108 |
| 15 | Intermittent service or drop outs | 2,065 |
| 16 | Financial hardship or repayment arrangement | 2,016 |
| 17 | Sold debt | 1,999 |
| 18 | No phone or internet service | 1,827 |
| 19 | Changing provider | 1,783 |
| 20 | Inadequate explanation of product | 1,755 |

3. A single complaint can have more than one issue. Where we talk about complaint numbers, we only count complaints once. Where we talk about issues, we count all the issues.

We investigated the trends in our complaints about mobile services

To understand the drivers of complaints about mobile services, we analysed the findings of our systemic investigations, our complaints data, and industry surveys. We also spoke to consumers and our team members to gain insights.

We reviewed our recent systemic investigations

Each year, we undertake around 30 investigations into systemic issues.

Our systemic investigations into recent mobile issues investigated provider practices leading to complaints about sales conduct, payment methods, provider accessibility, account fraud, and more. We also reviewed provider communication around service coverage issues and changes to mobile service products.

We worked closely with providers to resolve these systemic issues. In response to our investigations, providers made a range of improvements, including better training for staff, clearer communication around coverage issues and changes to mobile services, and fixes for system problems. Providers also refunded consumers in some circumstances.

We reviewed our complaints data

We identified trends and changes in our complaint data. Where our data suggested there could be an underlying reason for a particular trend, we reviewed samples of complaints to identify root causes and the impacts of the problem.

We surveyed mobile service providers and listened to their concerns

To better understand the practical issues providers face when delivering mobile services, we surveyed seven providers of varying sizes.

These providers commonly identified an increase in mobile call and data usage since the start of the COVID-19 pandemic. They highlighted improvements in complaints handling and financial hardship support. They also identified common gaps in consumer understandings of mobile services, such as the expectation that mobile services will work regardless of geographical location, or the difference between network outages and handset faults.

We listened to consumers' concerns

Our community outreach team travels around Australia, meeting and listening to consumers while raising awareness of our scheme.⁴

Through these travels, we heard stories from consumers across rural and regional Australia. We have included some of those stories in this report.

4. Telecommunications Industry Ombudsman, [Community Outreach](#).

Our investigation revealed four key problem areas for mobile consumers

This report identifies four key problems driving complaints about mobile services.

1

Mis-selling mobile services leads to poor outcomes for consumers

Mobile services can be complex, and some consumers need extra help to understand what they are signing up for. If a provider gives incorrect information, recommends an unsuitable product, or changes a plan without notifying the consumer, the consumer can experience significant detriment, particularly if they are experiencing vulnerability.

Providers can help consumers make better product choices and prevent confusion by **providing clear and accurate information to consumers** at sign-up, and **training staff to identify and respond appropriately** to consumers experiencing vulnerability.

2

Information about mobile service reliability is not always provided

Consumers increasingly rely on mobile services for their day-to-day activities. They can face significant challenges when their access to a mobile service is interrupted by outages or poor service coverage.

Providers can help reduce the impact of unreliable mobile services by **explaining the limitations** of their mobile service and **providing accurate and up-to-date information about outages**.

3

Customer self-service is not accessible to all consumers

Consumers with low literacy, low technical knowledge, physical or intellectual disability, or English as a second language can face significant barriers to effectively navigating customer self-service. Additionally, consumers using low-cost or prepaid mobile services can lose access to their service, or pay more, when they are unable to navigate their provider's customer self-service systems.

Providers can help consumers stay connected by **providing accessible contact methods** to cater to different types of consumers, and making sure consumers have **a clear pathway to speak with a person when needed**.

4

Automatic payment methods can result in loss of service or disadvantage

Some providers are shifting to mobile plans that include automatic payment or direct debit payment methods. Some plans do not offer alternative payment options. These payment methods make it difficult for some consumers to query charges or enter into a payment arrangement. When something goes wrong with an automatic payment, it can lead to loss of service or unexpected charges.

Providers can reduce the impact of this by **providing flexible payment methods**.

Finding 1 Mis-selling mobile services leads to poor outcomes for consumers

Complaint numbers about misleading conduct are higher for mobile services than for other service types. Some consumers, often in stores, are being signed up to products and services they do not understand and, in some cases, cannot afford. Ineffective communication about changes to mobile plans can also lead to complaints.

Some consumers sign up to mobile services without understanding what they are agreeing to

Signing up to a new mobile service can involve choosing from a wide range of plans and handsets with varying costs and capabilities. These decisions can be daunting for consumers who are not confident with technology or who are experiencing vulnerability.

Providers have obligations when engaging with consumers experiencing vulnerability – including the obligation to provide clear and accessible information.⁵ However, we find these obligations are not always met.

In the period between July 2020 and March 2022, we received 3,727 complaints about misleading conduct for mobile services. As a proportion of complaints by service type, misleading conduct complaint numbers were, at times, up to three times higher for mobile services than for internet services and six times higher than for landlines.⁶

Across these complaints, consumers said they:

- received bills for a higher amount than they had agreed to, including being charged extra for things they thought were included in their plan
- received poor or no mobile coverage at their home after being promised a working service at that address, or

- were signed up to something different to what they asked for, such as an advanced smartphone (when they asked for a basic device) or a mobile device protection add-on (which they mistook for insurance).

Poor sales conduct in stores can disadvantage consumers

Our complaints and systemic investigations show that consumers can sometimes experience higher detriment when misled about mobile services in-store. The store environment can make it easy for providers to sell consumers additional handsets, and often minimal records are kept about in-store sales.

While some providers have made significant improvements to in-store sales practices since we reported on this issue in 2019,⁷ we still receive complaints about misconduct in stores.

Some consumers told us they were sold services they did not need or could not afford. Some said they were told incorrect information, not told important information, or did not understand the information they were given.

Our investigations show that providers do not always keep adequate records about in-store sales discussions with consumers. This can lead to mis-selling, since in a busy store environment, it may be difficult for some consumers, including those with vulnerabilities, to read and understand a Critical Information Summary.

5. Australian Consumer and Competition Commission, [Consumer vulnerability: A business guide to Australian Consumer Law \(2021\)](#), Page 3.

6. See Appendix for a chart of these complaints since Q1 FY21.

7. Telecommunications Industry Ombudsman, [Sales Practices Driving Consumer Debt \(2019\)](#).

When a consumer already has a mobile service with their provider, the TCP Code⁸ only specifically asks the providers to check that consumer's payment history, and not their capacity to pay for a new service. This may be a gap in the Code, as an established payment history does not necessarily mean the consumer can afford to buy additional services.

Consumers might not understand changes to their mobile service plan

Some consumers tell us their provider made changes to their mobile product or plan without telling them.

We receive complaints about changes to:

- pricing or data inclusions for a plan
- lists of countries for free international calls, or
- additional products such as handset insurance or device protection.

Providers typically have terms in their contracts that allow these changes to happen, if fair notice is given. Providers also regularly make improvements to how they notify consumers about these changes. However, we still see complaints from consumers who say they did not receive any communication from the provider or that something went wrong when their service changed.

In a recent systemic investigation, consumers said they were paying for mobile protection, but their provider had not replaced their mobile when it was lost or stolen. We found the provider had updated the plan to exclude these replacements, and some consumers were unaware of the changes. Following our investigation, the provider's improvements included replacing mobiles or offering credits, and updating its website and other channels with clearer information about the plan inclusions.

Suggested improvements for providers

- 1. Help consumers decide if the product is right for them.** Ask consumers how and where they will use their mobile before recommending a handset. Discuss coverage where they want to use the service, or provide a coverage map. Confirm the consumer understands and accepts each cost included in a contract.
- 2. Give extra time and information to consumers who need it.** Train store staff and sales agents to meet the needs of all consumers effectively. Use clear language and confirm understanding with consumers who are not confident with technology or who are experiencing vulnerability.
- 3. Carry out broader credit checks for mobile sales.** As mobile services present a significantly higher risk of financial over-commitment for consumers on low incomes, complete credit checks and consider payment history alongside the capacity to pay for a new contract.
- 4. Keep consumers up to date with changes to their mobile plan.** Communicate with consumers in a clear and effective way about changes to their mobile plan. Give them a reasonable opportunity to change plan or providers if the new plan does not meet their needs.

8. The Telecommunications Consumer Protections Code

Systemic Investigation

Beam Mobile* signed consumers up to products they did not understand and could not afford

Beam Mobile sells post-paid mobile services. Our complaints showed Beam Mobile had signed up some consumers for multiple high-cost mobile handsets, bundled with mobile services, data plans, and accessories like wireless headphones. This happened even when the consumers said they had only gone to the store for help with an existing product and did not want to buy anything, or they only wanted a basic product.

Almost half of these concerning complaints about Beam Mobile stores were made by representatives such as a family member, carer, or financial counsellor. The representatives typically told us the consumer was vulnerable for reasons including digital literacy or English language skills, age, or disability. Often the consumer's only source of income was government support.

Representatives said they contacted Beam Mobile and explained the consumer could neither understand nor afford the contract, but Beam Mobile did not agree to take the products back or cancel the contract. Representatives then contacted us to complain.

During our systemic investigation, Beam Mobile acknowledged it had seen instances of poor sales conduct at some stores. It said it had already taken disciplinary action against particular staff members. However, it said it had not identified a broader, systemic problem with these sales practices.

While Beam Mobile ultimately resolved the complaints that came through our office, we were not satisfied it had adequately addressed the underlying reasons for the problem. We referred the matter to the regulator for consideration.

*Names of all parties have been changed.

Case study

Conall* was sold more than \$15,000 worth of mobiles and accessories while on a government pension

Conall has significant ongoing physical and mental health conditions. He is not able to work and relies on government support for income.

Conall went to a CurbTel store wanting to sign up for new mobile services. CurbTel signed him up for multiple expensive mobile handsets, plans, and accessories. The cost over the contract period was more than \$15,000.

When Conall did not meet his monthly payments, CurbTel cancelled the services. It also charged him for breaking the contracts, which included high payout costs for the mobile handsets and other equipment.

Conall's representative complained to us saying CurbTel had not sold the services responsibly. The representative said Conall did not understand the contracts or costs involved when signing up for the services and could not afford to pay for them.

CurbTel told us it was appropriate to sell Conall the services. It said he passed its credit check process because he had previously paid his accounts on time. CurbTel also said it had prevented Conall from purchasing more than four handsets. However, following the complaint to our office, CurbTel agreed to waive the cancellation fees out of goodwill to Conall. It let him keep his mobile handsets.

*Names of all parties have been changed.

Outreach story

Joanne* was promised mobile coverage but did not receive it

At a recent outreach event, Joanne came to speak with us about her experiences dealing with a telco provider.

Joanne told us her elderly mother lives in a rural area several hours from the city. Her mother has a landline service at home but lives in an area at risk of flooding. Joanne wanted her mother to have a mobile for emergency use.

Joanne went to her local provider and said she wanted a service for her mother to use when she was away from her home. She gave the provider her mother's address and explained where she would be using the service. The provider said it offered mobile coverage at her mother's home, so Joanne's mother signed up for a new mobile service.

However, Joanne's mother soon found the service did not work. Joanne later discovered the provider did not have any mobile coverage in the area.

Joanne said the provider did not agree to cancel the service, so she had to keep paying for it even though her mother was unable to use it. Joanne told us she bought another mobile service for her mother with another provider.

*Names of all parties have been changed.



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Consumers who are not tech-savvy may be disproportionately affected when providers change the terms of their mobile plans.

Providers should communicate changes clearly and offer additional support to those consumers who need it.”

– TIO Adjudicator

Finding 2 Information about mobile service reliability is not always provided

Consumers expect their mobile service to work when they are at home and on the move. As disruptions and poor mobile coverage can have serious consequences for consumers, it is important they receive accurate information about service problems and restoration time frames.

Consumers rely on mobile services for many aspects of daily life

Our complaints show us mobiles are deeply entrenched in the day-to-day lives of consumers.

Consumers tell us they rely on their mobile to:

- work or study from home
- operate a small business
- access banking and telehealth services they cannot attend in person
- complete authentication checks
- be contactable for health reasons – either their own or another person's
- run medical equipment, such as heart monitors, and
- show vaccination certificates.

Consumers commonly tell us losing access to their mobile service is highly disruptive and can sometimes present a risk to personal safety.

While there is a growing need for mobile services to be reliable, consumer expectations are not always met. From July 2020 to March 2022, we received 5,811 complaints about Poor Mobile Coverage. We also received 2,741 complaints about Restricted Services, and 1,827 complaints about No Service for mobile services, both of which can include coverage problems.⁹

Reliability problems can interrupt access to mobile services

Some consumers tell us they received poor mobile coverage after their provider incorrectly promised reliable coverage at their address or did not check whether there was likely to be coverage during sign-up. Other consumers reported coverage issues after moving to a new address.

Network outages can be caused by planned maintenance or tower upgrades, as well as unplanned technical issues. Outages can result in services being disrupted temporarily or for longer periods.

Depending on the circumstances, some providers may offer refunds for the time without service. For ongoing issues at an address, providers and consumers may sometimes negotiate to cancel a contract so the consumer can move to another provider.

Consumers rely on clear, accurate, and relevant information about problems

Consumers who unexpectedly lose service often tell us they checked their provider's website or contacted them for information. They then contact us if the provider does not give consistent, clear, or helpful information.

9. Telecommunications Industry Ombudsman, [Annual Report 2020-2021](#).

Providers often tell consumers about network upgrades or maintenance work that will interrupt their service. However, sometimes during unplanned outages, consumers say their provider was not able to help. Some say their provider told them there was no problem in their area or their mobile handset was faulty. Others say their provider knew there was a problem but did not give consistent information about the problem or say when it was expected to be fixed. This suggests a gap in a provider's internal processes and causes frustration for its customers.

Some providers offer solutions that may improve service reliability

While coverage can be reliable in densely populated parts of Australia, population distribution and uneven terrain can present significant challenges in rural and regional areas. Complaints about reliability can be complex and it is not always possible for providers to offer a solution.

While we handle complaints where a provider has promised a consumer a certain level of service, we cannot tell a provider to improve infrastructure or offer mobile service in a particular area.

In their responses to our survey, most providers said consumers living in more populated areas often do not realise the quality of mobile coverage can vary depending on the area and geographical factors, choice of provider, and handset.

Some providers offer products such as certain mobile handsets, boosters, or antennae to extend coverage. These can be expensive, and consumers pay for them on top of their standard service charges. While these options improve reliability for some consumers, other consumers might find they do not help.

We can handle complaints where a provider recommends an antenna that does not improve the mobile service. In these cases, consumers may be able to return the antenna and have the cost refunded.

Suggested improvements for providers

1. Be clear with consumers about the quality of service they can expect

At sign-up, give consumers accurate information about mobile coverage and service reliability at their address.

If a consumer reports a service problem after changes to mobile infrastructure (such as changing the direction of a tower), tell the consumer about the change and give them the option to change provider.

2. Give consumers accurate and timely information about outages

To help consumers manage downtime caused by outages, ensure front-line staff have access to up-to-date information and relevant advice to give consumers.

3. Offer a trial or cooling-off period when selling equipment that may improve service reliability

Where a consumer purchases equipment such as an antenna or signal booster, allow the consumer to trial the equipment before committing to buy it.

Systemic Investigation

Moon Fone* improved its communication about mobile outages

In early 2022, we received a cluster of complaints from consumers living in a country town who said their mobile service was not working at their home address. Consumers told us they live in a bushfire-prone area.

When we looked at complaints from the local area, we found Moon Fone had given its customers different information even though it appeared they were affected by the same problem. Moon Fone told some local residents there was no problem in the area. It told others their mobile handset was faulty, or there was a known outage with no estimated time for repairs, or the area simply had poor mobile coverage.

We were concerned about these differing responses, so we began a systemic investigation into Moon Fone.

During our investigation, Moon Fone told us a local mobile tower had caused intermittent outages in the town, and it had fixed the problem.

To help prevent similar communication problems, Moon Fone agreed to introduce a notification program to contact consumers who could be affected by a mobile outage. These communications will give consumers clearer information about service problems and when they are likely to be fixed. It also said it would give more information about outages to its call centres and introduce steps to better diagnose potential outages.

We were satisfied Moon Fone's coordinated and consistent approach will help future consumers who find themselves in the same situation.

*Names of all parties have been changed.

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Consumers generally expect they will have service across all of Australia. However some areas may not have full coverage, and other factors (such as environmental factors and the type of handset the customer is using) may also impact the coverage.”

– Provider

Case study

Dr Kumari* did not get an explanation for her mobile outage

Dr Kumari lives in rural NSW. She has a mobile service with Fort Mobile and uses the service for her work.

In early 2022, Dr Kumari's mobile service stopped working at her home.

After several days, Dr Kumari called Fort Mobile to say her mobile was not working. She asked whether there was a problem in her area, and if there was, when it would be fixed.

Fort Mobile said its systems did not show any problems in her area. This explanation did not make sense to Dr Kumari. Her service was still not working, and her neighbours (also with Fort Mobile) were experiencing the same issues.

After several weeks her service was still not working, so Dr Kumari contacted our office and made a complaint.

After we referred the complaint, Fort Mobile told Dr Kumari a network outage had impacted her town. Fort Mobile resolved the complaint by refunding the service charges Dr Kumari had paid during the time her service was not working.

*Names of all parties have been changed.



Spotlight Mobile services during natural disasters

Natural disasters put significant pressure on mobile networks, particularly in rural and regional areas. They can quickly disrupt mobile networks and consumers' services, often when consumers need them most.

Consumers who reported losing access to landline and internet services when their home lost power said mobile access was critical to receive emergency alerts and update family members about their movements. Local responders also told us they needed their mobile service to receive updates about where they needed to be to help.

During natural disasters, some providers are able to bring in temporary mobile towers if infrastructure has been damaged or where extra capacity is needed to support emergency services and relief workers. This option is not open to all providers.

During our community outreach events,¹⁰ consumers living in rural areas told us there were extensive delays restoring their mobile service following a natural disaster. Some consumers said that even after these delays, their service was less reliable than before the disaster.

Many providers already offer specialised customer service options during natural disasters. Better pathways to connect a provider's front-line staff with its disaster response area could support the sharing of critical information between a provider and its customers during these events, such as information about local service disruptions. Consumers should be able to connect with their provider outside business hours during a disaster.

During natural disasters, we activate our own disaster hotline to ensure consumers can reach us quickly in an emergency, so we may refer them to their provider without delay.

“

Mobile services are essential for many Australians. Mobiles are used to communicate with family, work on-the-go, receive state emergency updates, and show vaccination certificates.”

– TIO team member

10. Telecommunications Industry Ombudsman, [Community Outreach](#).

Case study: Kelly* was unable to receive emergency notifications during a bushfire

Kelly lives in a rural area. During summer, there were bushfires burning close to Kelly's home. As the fires approached, her mobile service, which had always been patchy, became less reliable. Kelly's electricity supplier cut power to her house, and her mobile was the only way to receive emergency notifications, reach help, or keep family updated about her movements.

When Kelly called her provider to report the problems with her mobile service, her provider said the local tower was not working because power had been cut.

Kelly told her provider it was critical she and the local community had working mobile services as the fires approached. When Kelly asked her provider when it expected to restore the service, her provider did not know.



Case study: Frank* was unable to connect with his provider's bushfire support line

Frank runs a small business from home with a landline, internet service, and two business mobiles. When his home was damaged by a bushfire, Frank was able to keep his business running using his mobile services.

Frank's provider was offering free mobile data to consumers who were affected by the fires, referring them to its bushfire support line to take up the offer.

When Frank called his provider, he was told the disaster department was not available. Frank explained he wanted free mobile data so he could keep running his business, and his provider suggested he sign up for a new mobile data service on a 24 month contract.

Frank hung up and called his provider again, and it again tried to sell him a new mobile data service.

*Names of all parties have been changed.

Finding 3 Customer self-service is not accessible to all consumers

Consumers must have accessible ways to engage with their provider. While customer self-service is convenient for many consumers and complaint types, it can present barriers to some consumers. Some consumers who are unable to engage directly with their provider can lose access to a service or end up paying more.

Mobile consumers must have easy access to their providers

The Telecommunications Consumer Protections Code¹¹ sets out obligations on providers to be accessible for consumer enquiries.

Under the Complaint Handling Standard, all providers must have a contact number consumers can call to complain,¹² including providers whose customer service is predominantly self-service.

Excluding the significant contact issues caused by the COVID-19 pandemic,¹³ our data shows a steady trend in complaints from mobile consumers who are having problems contacting their provider.¹⁴

Consumers who want to speak with their provider tell us:

- they cannot find a contact number for their provider
- their provider does not answer their calls or respond to voice messages
- there are long wait times for an operator on webchat
- the problem they need to report stops them from contacting their provider (for example, a data problem may prevent a consumer from reliably using webchat).

Consumers tell us they tried to make an enquiry or complaint using self-service pathways but were not able to solve their problem, and they could not find a way to speak to a person.

The Telecommunications (Consumer Complaints Handling) Industry Standard 2018 contains detailed rules for how providers must receive and handle complaints. However, neither the TCP Code nor the Standard go into detail about how customer service enquiries and complaints should be handled by self-service options, nor set any direct rules or restrictions on their usage.

Self-service is not effective for some enquiries and complaints

We have observed a move to automated self-service enquiries and complaint handling.¹⁵ This was amplified by provider call centre closures during the COVID-19 pandemic.

Self-service is accessible at any time of the day without wait times and can be effective and convenient for basic transactions and enquiries such as making or reporting a payment.

Our complaints suggest self-service has limitations when handling unique enquiries or problems. Some consumers say they tried to navigate an automated chat but became

11. Communications Alliance, [Telecommunications Consumer Protections Code \(2019\)](#), clause 3.2.

12. [Telecommunications \(Consumer Complaints Handling\) Industry Standard 2018](#), Section 8(1)(h).

13. Telecommunications Industry Ombudsman, [Impact of COVID-19 on phone and internet complaints \(2020\)](#).

14. Please see the Appendix for a chart of these complaints.

15. Telecommunications Industry Ombudsman, [Impact of COVID-19 on phone and internet complaints \(2020\)](#), Page 5-6.

stuck in looping options that did not describe their problem or lead to a person. Some were referred to irrelevant online resources.

Some consumers told us when they could not discuss a problem with their provider, they paid charges they did not agree with as they did not want their mobile service to be restricted for not paying their bill.

Self-service is not accessible to all consumers

Even for simple enquiries which self-service options could handle, some consumers say self-service does not meet their communication needs.

Consumers with low literacy, a physical or intellectual disability, English as a second language, or a lack of technical knowledge can face significant barriers when trying to navigate self-service options. Providers' contact pathways must be accessible for all consumers, including those in vulnerable circumstances.¹⁶

We recently investigated a provider after a consumer reported problems using a dedicated contact number for consumers with low vision. This contact number led to a phone message,

which referred consumers to its website to make enquiries and then ended the call. Following our investigation, the provider set up an automated phone system consumers could use to reach a person.

Self-service can disadvantage mobile consumers experiencing financial vulnerability

While some consumers choose a prepaid mobile service for convenience, others use it because it is a lower-cost product.¹⁷ For consumers who cannot pass their provider's credit check or who are experiencing financial hardship, a prepaid mobile may be their only mobile option.

Our complaints show consumers experiencing vulnerability who rely on low-cost prepaid services can be further disadvantaged if their provider predominantly communicates with customers using self-service.

When consumers experiencing vulnerability are not able to reach their provider using self-service, problems can quickly compound. Prepaid consumers with a low income who could not speak with their provider about a recharge problem told us they added a second recharge to restore their service.

Suggested improvements for providers

1. Ensure sure self-service options have a clear pathway to a person

As self-service may not be suitable for some consumers or some enquiries.

2. Ensure different self-service pathways give consumers consistent information

Consider the design of your self-service pathways to ensure consumers are not

being directed from one self-service pathway to another without resolution.

3. Ensure contact areas are adequately resourced

Lengthy call centre wait-times or delayed response times on webchat can cause simple issues to become complaints.

Consumers should be able to reach staff within a reasonable time.

16. Australian Communication and Media Authority, [Consumer vulnerability: expectations for the telecommunications industry \(2022\)](#), page 13

17. Australian Competition and Consumer Commission, [Communications market report 2020-2021](#), page 28.

Systemic Investigation

A low-cost provider needed to be more accessible to consumers

Amber Tel* sells prepaid and post-paid mobile services. As a low-cost provider, it encourages consumers to communicate with it via webchat or its mobile app.

Early this year, we began an investigation after customers told us they could not contact Amber Tel for help or to make a complaint.

Consumers told us Amber Tel's webchat or app options provided generic information about common problems and did not help.

Some consumers said they could not find a contact number for Amber Tel. Others said they called Amber Tel but were not able to speak with a person. Consumers who called Amber Tel said their call connected to a complex Interactive Voice Recording (IVR) system with too many options to navigate.

Most options ended with a recorded message telling the caller to contact Amber Tel via its website or app, and the call would then disconnect.

Our investigation found gaps in the accessibility of Amber Tel's customer service channels, including that it did not have a contact number clearly displayed on its website, and did not explain how consumers could complain about their services.

Through our investigation, Amber Tel agreed to update its website to display clearer information about how consumers can contact it to make a complaint or enquiry. It also agreed to simplify its IVR system so consumers could find the option to speak with a consultant more easily. We continue to monitor complaints about Amber Tel's accessibility.

*Names of all parties have been changed.

“

More providers are asking consumers to use their app to access their bills, but some consumers do not have smart-phones or know how to use the app.”

– TIO team member

Case study

Tamira* could not get help upgrading her mobile handset

Tamira has a mobile service with Cobble Connect. Shortly after ordering a new handset, Tamira changed her mind and asked Cobble Connect if she could change to another mobile handset. Cobble Connect said Tamira could return the first handset, and it would send her the preferred handset.

Tamira returned her first handset but never received the second handset. To her surprise, her next bill from Cobble Connect also included a large payout fee for the handset Tamira had already sent back.

When Tamira tried to call Cobble Connect by phone, a recorded message referred her to Cobble Connect's website for help. When Tamira went onto Cobble Connect's website, the website asked her to call Cobble Connect by phone.

As Tamira could not reach anyone through either channel, she contacted us about her complaint. We contacted Cobble Connect about Tamira's complaint. After we referred the complaint, Cobble Connect contacted Tamira and resolved the handset and billing issues.

*Names of all parties have been changed.



Finding 4 Automatic payment methods can result in loss of service or disadvantage

Consumers who pay their mobile bill by automatic payment, including direct debit, may find it harder to query a charge or enter a payment arrangement. Some consumers can experience financial impacts or lose their service if they are not able to use flexible payment methods.

Automatic and direct debit payments reduce consumers' control over their payments

Traditionally, consumers received a mobile bill and could check their charges before paying them. If their circumstances changed, they could contact their provider and ask for extra time to pay.

Some newer mobile plans we see have automatic payments or direct debit as the only payment option. Automatic payments are convenient for many consumers and providers have told us these payment options are an effective way to manage debt. However, they also reduce some consumers' capacity to control their payments. This is because these payments are less visible to consumers and happen automatically without the consumer's involvement.

The TCP Code contains rules about billing information, including when bills should be provided and what details they need to contain. However, providers are not usually required to issue bills for post-paid services that use direct debit payments. While consumers can still ask their provider to see a bill, the lighter regulations around direct debit payments make this payment method less visible to consumers.

We often hear from consumers who say they could not meet a payment after their circumstances changed, or they received an unexpectedly high bill they could not pay in a single payment. When some of these consumers contacted their provider for help, they did not receive it, and in some cases their services were restricted or cancelled.

Regardless of the payment method used, providers must be flexible enough to accommodate consumer circumstances, with safeguards that focus on keeping services active. They should also clearly describe the differences between payment options so consumers can decide what suits their needs.

Changes in circumstances can affect consumers on automatic payments

When using automatic payments, consumers pay an agreed set amount up-front each month. Some consumers said that when their circumstances changed, they asked their provider for more time to pay, but it told them it did not offer financial hardship assistance to customers who pay by automatic payments.

Some consumers had insufficient funds in their account when their provider tried to deduct an automatic payment and said their provider restricted or cancelled their service without notice.

If an automatic payment fails or a customer asks for financial hardship assistance, providers have obligations to support them.¹⁸ In their survey responses, some providers told us they can respond to financial hardship by putting a hold on automatic payments for a month.

Consumers paying by direct debit can find it hard to query charges

If a consumer tells their provider they do not agree with a charge on their bill, the provider should not direct debit that charge from the consumer's account. Despite this, consumers sometimes tell us they found it hard to query a charge on their bill before the charge was debited. Some consumers tell us they contacted their provider to discuss their bill before the due date, but regardless of their contact, their provider debited the full bill amount.

Some consumers needing more time to pay said their provider did not help, but at least one provider has told us it can change a consumer's payment method to BPAY to allow the consumer to pay the parts of the bill they agree with.

Problems with direct debit can have serious impacts for consumers

Consumers have told us their provider debited a payment from their account earlier than agreed or for a higher amount than agreed, sometimes including the cost to pay out a mobile handset. Consumers who did not have adequate funds in their account for these debits sometimes told us the payment failed or they incurred bank overdraft fees. In some cases, the unexpected debit left the consumer without money for essentials such as food, rent, and utilities.

Some consumers said their provider cancelled their service and charged them the remaining cost for contracted mobiles or accessories after a failed direct debit.

When a consumer contacts us after their service has been cancelled, we help them reach an agreed resolution with their provider. This may include reconnecting the service and making a payment arrangement for owed charges, or changing the service to prepaid and making a payment arrangement to pay for the handset.

Suggested improvements for providers

1. Contact consumers who miss a payment

Contact the consumer when a direct debit or automatic payment fails. Discuss reprocessing the payment or finding a new date for payment. Only restrict or cancel a service as a last resort.

2. Let consumers know about upcoming direct debits

Consider emailing or texting consumers the date and amount of their next direct debit. Tell consumers if an upcoming payment is for a different amount or will be processed on a different date.

3. Allow consumers to query charges before a payment is processed

Consumers should be able to query charges before paying them. Ensure direct debit systems can pause disputed parts of a payment.

4. Ensure payment methods allow for financial hardship assistance

Offer similar kinds of assistance to all consumers experiencing financial hardship, including partial or delayed payments, regardless of their payment method.

18. Communications Alliance, [Telecommunications Consumer Protections Code \(2019\)](#), chapters 6 and 7.

Systemic Investigation

A technical issue causes problems for consumers paying by direct debit

Quest Net* sells mobile, internet and landline services. Its newer mobile plans are only available to consumers who pay by direct debit. We received complaints from Quest Net customers who said their direct debit payments to Quest Net were failing even though there was money in their bank account.

Some of these consumers said the payment failed when Quest Net tried to process it using outdated banking information. These consumers said they had updated their details and a \$1 test payment had gone through successfully, but all following payments failed. Consumers said Quest Net restricted their services and charged them late payment fees because of the failed direct debits.

Other Quest Net customers told us Quest Net had processed direct debits for more than the agreed amount or earlier than the agreed date. Some of these consumers said this left them without money to pay for essentials like food, rent or other bills.

We began an investigation and worked with Quest Net to address the cause of the problems. Quest Net found system errors that were causing the problems and introduced validation checks to correct some of the errors. It also agreed to change its systems so it would not process more than one direct debit, per customer, per month. Quest Net's improvements have significantly reduced the number of complaints we receive about its failed direct debits.

*Names of all parties have been changed.

Case study

Iggy* paid double after moving to a direct debit only plan

Iggy went to a Phone Hawk store and upgraded to a new plan and mobile.

While at the store, Iggy explained they made payments each fortnight to manage their finances, and they wanted this to continue. Iggy said Phone Hawk confirmed several times that they could continue doing this, and Iggy would not need to pay by direct debit.

Despite making fortnightly payments as agreed, Phone Hawk's mobile app showed an automatic payment was coming up. Iggy called Phone Hawk, who assured them the account was not set to direct debit payment.

While Phone Hawk said it would not deduct the payment, on the date shown in the mobile app, it direct debited \$400 from Iggy's bank account. As Iggy had already paid their account, the second payment meant Iggy did not have money for food or petrol.

After Iggy complained to us, Phone Hawk agreed to refund the \$400 to them.

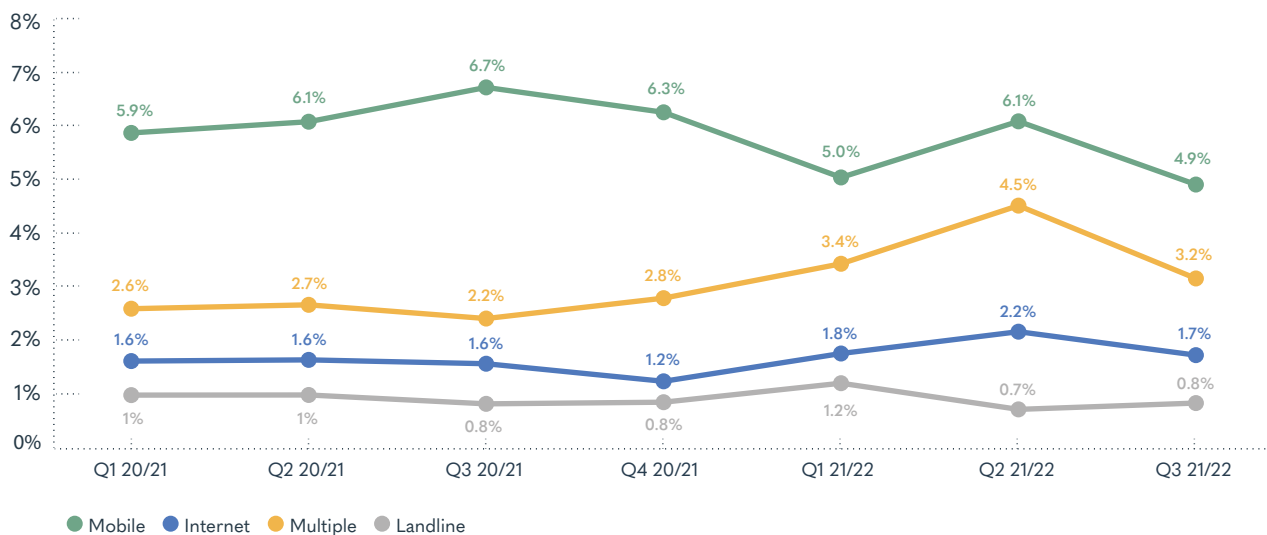
Phone Hawk explained the plan Iggy had signed up for could only be paid for by direct debit, and Iggy agreed to use direct debit to pay for the service in future.

*Names of all parties have been changed.

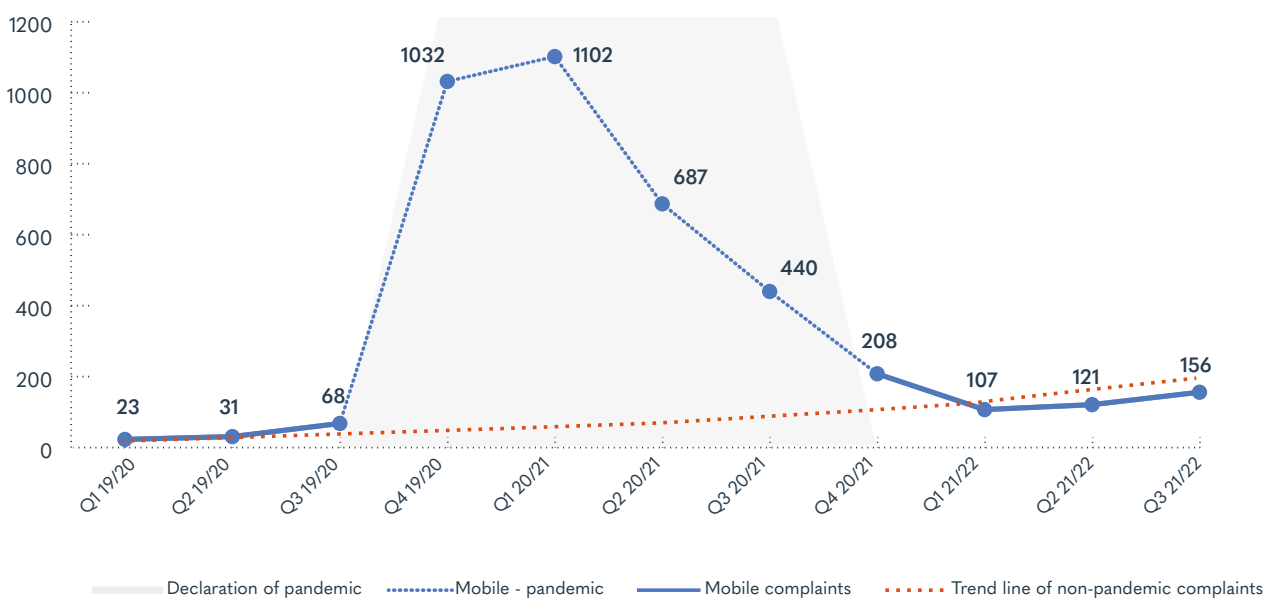


Appendix: Charts of complaint issues

Proportion of complaints by service type relating to Misleading Conduct – 1 July 2020 to 31 March 2022



Complaints about Uncontactable providers for mobile services – 1 July 2019¹⁹ to 31 March 2022



19. Extended to include the periods before and after the COVID-19 peak.

Tips for mobile service providers



Telecommunications
Industry
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Assisting consumers with their mobile service complaints

Help consumers decide if the product is right for them

- Ask consumers how and where they will use their mobile before recommending a handset.
- Discuss area service coverage or provide a coverage map.
- Confirm the consumer understands and accepts each cost that makes up their contract.

Give extra time and information to consumers who need it

- Train store staff and sales agents to effectively understand and meet the needs of all consumers.
- Use clear language and confirm understanding with consumers who are not confident with technology or who are experiencing vulnerability.

Carry out broader credit checks for mobile sales

- Ensure credit checks consider a consumer's payment history alongside their capacity to pay for a new contract.

Keep consumers up to date with changes to their mobile plan

- Communicate with consumers in a clear and effective way about changes to their mobile plans
- Also, give them a reasonable opportunity to change plan or providers if the new plan does not meet their needs.

Be clear with consumers about the quality of service they can expect

- At sign-up, give consumers accurate information about mobile coverage and service reliability at their address.
- If a consumer reports a service problem after you have made changes to mobile infrastructure (such as changing the direction of a tower), tell the consumer about the change and give them the option to change provider.

Give consumers accurate and relevant information about outages

- To help consumers manage downtime caused by outages, ensure front-line staff have access to up-to-date information and relevant advice to give consumers.

Offer a trial or cooling-off period when selling equipment that may improve service reliability

- Where a consumer purchases equipment such as an antenna or signal booster, allow the consumer to trial the effectiveness of the equipment before committing to buy it.

Ensure self-service options have a clear pathway to a person

- Self-service may not be suitable for some consumers or some enquiries.

Ensure different self-service pathways give consumers consistent information

- Aim to avoid consumers being directed from one self-service pathway to another.

Ensure contact areas are adequately resourced

- Lengthy call centre wait times or delayed response times on webchat can turn simple issues into complaints. Make sure consumers can reach a person within a reasonable time.

Contact consumers who miss a payment

- Contact the consumer when a direct debit or automatic payment fails.
- Discuss reprocessing the payment or find a new date for payment.
- Only restrict or cancel a service as a last resort.

Let consumers know about upcoming direct debits

- Consider emailing or texting consumers the date and amount of their next direct debit.
- Tell consumers if an upcoming payment is for a different amount or will be processed on a different date.

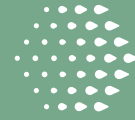
Allow consumers to query charges before a payment is processed

- Consumers should be able to query charges before paying them. Ensure direct debit systems can hold disputed parts of a payment.

Ensure payment methods allow for financial hardship assistance

- Regardless of a consumer's payment method, offer similar kinds of financial hardship assistance to all consumers, including allowing the processing of partial or delayed payments.

Tips for mobile service consumers



Telecommunications
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Getting help when you have a complaint about a mobile service

Research your new mobile service before buying

- Review online or printed information your provider supplies about your new mobile service before signing up. Be sure to check plan information, mobile coverage maps for your area, and any phone features you need. Your provider's Critical Information Summary (CIS) for the service you are looking at is a good place to start.
- If you sign up in-store, take the information with you to help your provider find the most suitable options for your needs. Tell your provider where and how you plan to use the service and ask them to confirm how much the service will cost you per month.

If something about your new service is not what you expected, tell your provider

- If you signed up for something that is not what you asked for, contact your provider and explain what you needed and what you were sold.
- Your provider may be able to replace what you were sold with something more suitable for your needs.

Be aware of the limitations of mobile services, and have back-up options

- Mobile services can sometimes be unreliable, particularly where a provider has patchy coverage. If you need to use a phone in an area where mobiles are unreliable, ask your provider about what back-up options they can offer.
- If you normally use your mobile at home, consider getting a landline or fixed line internet service, as these may be more reliable than your mobile.

Check coverage maps before moving

- Before you move house, check your provider's coverage maps to see whether your provider has coverage at your new location. If you are unsure, call your provider.
- If your provider does not have coverage at your new location, ask about changing providers.
- Be aware you may need to pay the remaining handset costs if you change providers.

Check available payment methods before signing up

- Check the terms and conditions for your new plan before signing up to make sure the available payment methods are suitable for your needs.

Contact your provider if you need payment flexibility

- If you need flexibility for your next payment, contact your provider to talk about it before the payment is due. Make sure you keep a record of what you discussed and agreed on, and when you had a discussion.

If you can't contact your provider, contact us

- If you try to contact your provider through its advertised channels but cannot communicate with anyone or do not receive a response, contact us on 1800 062 058 or at www.tio.com.au.

Contact us

You can complain through our website at www.tio.com.au or by calling **1800 062 058**.

You can post a letter to
PO Box 276, Collins Street West,
VIC 8007 or fax it to 1800 630 614.

If you need to use a language other than English, call the Translating and Interpreting Service on 134 450 and they will help you speak with us. They are a free service.

If you would like to make a complaint using our Auslan Video Interpreting Service, please visit this link: www.tio.com.au/auslan-booking-form

Calls to the above numbers on mobile phones may incur charges.

Getting someone to help you

You can also ask someone else to complain for you or your business, such as a friend, family member, or financial counsellor. Ask for our authorisation forms over the phone or find them on our website.



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