

TIO submission to the Rural and Regional Affairs and Transport References Committee inquiry into the shutdown of the 3G mobile network Rural and Regional Affairs and Transport References Committee inquiry into the shutdown of the 3G mobile network May 2024

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Introduction

The Telecommunications Industry Ombudsman (TIO) offers information to assist the Rural and Regional Affairs and Transport References Committee (RRATRC) with its inquiry and report on the 3G shutdown.

The TIO's role is to help people, small businesses and not-for-profit organisations (consumers) resolve their phone and internet disputes. We operate as an alternative to a court or tribunal. Our dispute resolution services are free, fair, independent and accessible and comply with the <u>Government Benchmarks for Industry-Based Customer Dispute Resolution</u>. Telecommunications service providers (including carriers and eligible service providers) are required to be members and fund the dispute resolution scheme operated by the TIO.

The complaints that we can and cannot handle, and how we handle them, are set out in the <u>TIO Terms of Reference</u>. We have jurisdiction to handle complaints about telephone and internet services. We also have the authority to make decisions that are binding on our members. In exercising our powers, we assess what is fair and reasonable in the circumstances having regard to the law, relevant industry codes, guidelines and good practice.

Mobile services are essential and can act as a valuable interim or alternative phone service, but some locations (particularly in regional, rural and remote areas) lack adequate mobile coverage. The TIO's jurisdiction does not extend to all complaints about mobile coverage however we do take complaints about related mis-selling, misleading conduct, or disputed charges. Any additional service obligations imposed on service providers would be relevant to the complaints the TIO could handle. The TIO supports efforts by government and industry to improve coverage for telco consumers in regional, rural and remote Australia.

This submission offers insights into:

- The TIO's approach to handling 3G shutdown complaints
- Consumer contacts received by the TIO related to the 3G shutdown
- Access to triple zero emergency calls
- Device compatibility issues
- The rural, regional and remote consumer experience
- Concerns about disaster response capabilities.

1. The TIO's approach to handling 3G shutdown complaints

(i) adherence to, adequacy of, and opportunity to improve service obligations;

The TIO can handle complaints about the 3G shutdown relating to mobile, wireless internet and wireless Voice Over Internet Protocol (VOIP) services. The TIO can also handle complaints about telco devices and equipment where:

- the device or equipment is bundled with a service
- the device or equipment was sold by a TIO member and has a fault that affects the consumer's access to a telco service.¹

The TIO can handle 3G shutdown related complaint issues about:

- misleading sales practices, including misleading advice or omissions about device compatibility
- disputed charges flowing from the consumer being unable to use their service
- coverage, where consumers no longer have coverage or experience a drop in coverage quality but are still in contract to receive mobile services
- compensation for financial and non-financial loss
- unclear information from a provider about or relating to the shutdown, including options to stay connected or the impact of the 3G shutdown on their device and services.²

The TIO cannot handle 3G shutdown related complaint issues about:

- dissatisfaction with the decision to shut down the 3G network or when the 3G network will be shutdown, including expenses incurred from the need to upgrade equipment – this is because the TIO does not handle complaints about general telecommunications policy, commercial decisions of a provider or pricing
- devices or equipment that no longer work because of the 3G shutdown this is because the device or equipment is working as the manufacturer intended, so this is not classified as a fault with the device or equipment.³ The exception is where misleading sales practices may be involved.

We cannot compel a provider to fix, install or improve its infrastructure in response to complaints about mobile coverage. This is because the decision to take these actions is not based on obligations to consumers, and the TIO does not handle complaints about commercial decisions.

To assist consumers seeking information about the 3G shutdown, on 14 December 2024 we published and updated a <u>webpage</u> explaining the 3G shutdown, how the TIO can help and providing links to more information from the Australian Mobile Telecommunications Association (AMTA), Vodafone, Telstra and Optus.⁴

¹TIO, <u>Complaints about telecommunications equipment</u> (accessed 29 May 2024).

² <u>TIO Terms of Reference</u> (effective from 1 January 2022) cl 2.2(a)(b)(d).

³ <u>TIO Terms of Reference</u> (effective from 1 January 2022) cl 2.6, 2.7, 2.2(b).

⁴ TIO, <u>Commencement of the 3G network shutdown</u> (14 December 2023).

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We take into account service obligations when we handle complaints and consider what is a commercial decision that may fall outside of our jurisdiction. If service obligations were to extend to minimum coverage or mobile infrastructure capability and performance obligations to consumers, this may mean TIO could handle these complaints because such obligations would limit the commercial discretion of carriers and we would take these obligations into consideration when deciding on appropriate complaint outcomes.

We also take into account service obligations when we consider potential systemic issues that are driving complaints or create consumer detriment risks. Service obligations about minimum coverage or mobile infrastructure capability and performance could also be taken into account when we seek industry improvement by working with providers through our systemic investigation process.

Additionally, there is ongoing work on other related obligations that could expand the framework the TIO operates within around mobile coverage. This includes the Department's consultation on better delivery of universal services.⁵ Our submission to this consultation notes that mobile services are essential and can act as a valuable interim or alternative phone service, but certain locations lack adequate mobile coverage.⁶

We will also make a submission to the 2024 Regional Telecommunications Review, which is considering several topics relevant to mobile coverage and the 3G shutdown. These topics include the mis-selling of services in regional, rural and remote areas, and the need for equitable access to services in those areas.⁷ By providing case data and insights to this Review, we aim to aid the development of stronger consumer protections for telco consumers in regional Australia.

2. Consumer contacts received by the TIO related to the 3G shutdown

(b) the number of devices and customers affected by the shutdown;

We cannot comment directly on the number of devices and customers affected by the 3G shutdown, however, the TIO's data may inform the Inquiry's consideration of the scale of the impact.

When considering these numbers, it is important to note that our data only covers consumers who have made a complaint, or tried to make a complaint, to their provider and the provider has not resolved the issue to their satisfaction. Other consumers may experience issues but choose not to raise a complaint with their provider or subsequently with the TIO. Our data is therefore likely to present only a small proportion of the consumers affected by the 3G shutdown.

⁵ DITRDCA, <u>Better delivery of universal services</u> (30 October 2023).

⁶ TIO, <u>Letter - TIO submission to the consultation on the Better delivery of universal services</u> (1 March 2024).

⁷ Regional Telecommunications Independent Review Committee, <u>2024 Regional Telecommunications Independent</u> <u>Review Issues Paper</u> (April 2024).

The insights provided are the product of a manual review of our cases filtered by relevant phrases. We identified 524 first contacts from consumers that involve 3G shutdown concerns or related 3G issues.⁸ We have split our insights into two sets:

- 3G shutdown contacts, where consumers raise a concern about the 3G shutdown (283), and
- relevant 3G contacts, where it was unclear if the consumer was aware of or concerned about the 3G shutdown, but the consumer raised a coverage or 3G specific concern that meant the 3G shutdown would be likely to affect them (241).

We identified 283 first contacts from consumers raising concerns about the 3G shutdown (collectively referred to as '3G shutdown contacts') received between 1 July 2023 to 30 April 2024. The concerns consumers raised included:

- device compatibility issues, explored further in section four of this submission
- being left without coverage because the consumer has no or poor 4G or 5G coverage in their area
- not being informed, receiving inconsistent advice or incorrect advice about the impact of the 3G shutdown
- SIM card compatibility issues that require the consumer to obtain a replacement 4G or 5G compatible SIM card
- multi-factor authentication issues where the consumer wants to keep their number, but their SIM card has stopped working due to the 3G shutdown
- consumers requiring a device upgrade or plan change due to the 3G shutdown and then experiencing issues, such as:
 - o disputed charges
 - o higher costs that the consumer cannot afford
 - o being forced to upgrade to a device or plan that has functionalities or inclusions the consumer does not want or need
 - o account access or authority problems
 - o upselling unnecessary devices or services
 - o connection delays or service quality issues after the upgrade, such as intermittent dropouts or wireless internet or wireless VOIP functionality issues
- following the closure of the Vodafone 3G network on 15 December 2024:
 - o not being given enough lead time to upgrade their device or plan to avoid being affected
 - o not knowing that the 3G network in their area would be shutdown and experiencing sudden loss of service as a result
 - o sudden loss of service affecting the ability to work, leading to lost work opportunities and preventing consumers contacting support services, friends or family.

⁸ First contacts means an individual consumer contacting our office for assistance.

⁹ Please note that these contacts were identified by a manual review of our complaints database filtered by relevant phrases and may not represent a comprehensive number of the actual contacts received relating to the 3G shutdown.

Of the 283 3G shutdown contacts, the TIO escalated 188 complaints for resolution through our referral process. The TIO's referral process is the first stage of the TIO's dispute resolution process. Where the consumer has tried but has been unable to resolve their complaint with their telco, the TIO reads or listens to the consumer's concerns and escalates them to a specific complaints person or team nominated by the telco. The telco is given 10-15 business days to resolve the complaint directly with the consumer, during which time the telco must stop any credit management on disputed charges. If there is an urgent medical or safety risk, the telco must address this urgent aspect within two business days.

The remaining 95 3G shutdown contacts that were not considered by the TIO because the issues were outside of our jurisdiction, or we had insufficient information, and the consumer did not provide the information requested. We record these contacts as enquiries and, where possible, give the consumer advice on alternative avenues to raise their concerns or where to find the information they are seeking.

Of the 283 3G shutdown contacts, over 50% (152) involved device compatibility issues related to the 3G shutdown.

In addition to the 3G shutdown contacts, we identified an additional 241 contacts where it was unclear if the consumer was aware of or concerned about the 3G shutdown, but the consumer raised a coverage or 3G specific concern that meant the 3G shutdown would be likely to affect them (collectively referred to as 'relevant 3G contacts').

Affected services ranged across mobile, wireless internet and wireless VOIP services. Concerns raised included:

- no coverage, poor coverage or only 3G coverage being available
- the consumer's 3G device not working or requiring an upgrade where it is unclear this relates to the 3G shutdown or instead to general coverage availability issues
- an existing or recently purchased SIM card not being compatible with 4G or 5G
- following any of the above issues disputed charges, exacerbated vulnerability, issues with an upgraded device, and inability to work or communicate with essential services, friends or family.

3. Access to triple zero emergency calls

(a) the impact on access to triple zero emergency calls;

The TIO did not identify any contacts from consumers who directly said they were unable to call emergency services as a result of the 3G shutdown.

Across 3G shutdown contacts and relevant 3G contacts, 21 consumers indicated they were concerned about what would happen if they were unable to call emergency services.

4. Device compatibility issues

- (d) the impact on elderly and health-compromised Australians who use medical alert devices on the 3G network;
- (e) the impact on industries that use 3G devices;

...

(j) any other related matters.

As noted above, of the 283 3G shutdown contacts, over 50% (152) involved device compatibility issues.

Consumers told us about the following device compatibility issues:

- unnecessarily purchasing a new device after being notified they needed to due to the 3G shutdown, only to find out later their original device would have continued to work after the 3G shutdown
- poor or no explanation of whether the consumer's device would work with 4G or 5G after the 3G shutdown, including confusion around Voice Over Long-Term Evolution (VoLTE) capability
- conflicting explanations of whether the consumer's device would work after the 3G shutdown between telcos and manufacturers.

Consumers told us about device compatibility issues involving a variety of devices in addition to mobile services, such as:

- medical alarms
- wireless internet and wireless VOIP equipment
- tablets
- security systems
- smart watches.

Of the 241 relevant 3G contacts, although it was unclear whether it related to the 3G shutdown or instead general coverage availability issues, 31 contacts involved the consumer telling us their 3G device was not working or required an upgrade.

5. The consumer experience of coverage issues

(c) the absence of 4G services in rural and regional areas previously covered by 3G;

...

(f) the impact of a lack of telecommunications services on the economic and social circumstances of those who live in regional Australia;

(g) service provisions and coverage;

Mobile coverage was a significant issue across 3G shutdown contacts and relevant 3G contacts, appearing as an issue in approximately 57% (302) of these contacts, with the majority of mobile coverage presenting in relevant 3G contacts:

- Over 35% (103) of the 283 3G shutdown contacts involved coverage issues.
- Over 85% (209) of the 241 relevant 3G contacts involved 3G coverage issues.

Mobile coverage issues raised in relevant 3G contacts included:

- consumers only having 3G coverage available and poor or no 4G or 5G coverage in the consumer's area
- coverage issues after the consumer is told a specific tower that provides 3G coverage has or is being decommissioned, turned off or upgraded
- lengthy periods of no service or degrading coverage quality leading to the consumer only having 3G coverage available.

Across 3G shutdown contacts and relevant 3G contacts, consumers told us that coverage issues impacted them in a variety of ways, including:

- missing out on job opportunities
- being unable to work or study
- being cut off from friends, family and support services
- stress and anxiety about the possibility of being cut off from friends, family and support services, particularly where the consumer is medically vulnerable
- financial pressure where accessing coverage or better coverage leads to higher costs due to the 3G shutdown.

Both the 3G shutdown contacts and relevant 3G contacts contain information from consumers that illustrates the impact of the lack of telecommunications services and the absence of 4G coverage in rural and regional areas. Of the combined 524 contacts, over 30% (174) came from consumers in rural, regional and remote areas.¹⁰

¹⁰ We identify whether a consumer is in rural, regional or remote Australia by matching the consumer's service address postcode or location with the latest version of the Australian Bureau of Statistics' (ABS) *Accessibility and Remoteness Index of Australia* (ARIA+) remoteness classification. The ARIA+ index classes locations into major cities, inner regional, outer regional, remote and very remote areas. We have modified the ARIA+ index to include Darwin and Hobart postcodes as major cities. Some complaints are counted as undefined due to missing non-geographic or invalid postcode information.

Consumers in rural, regional and remote areas and consumers in metro areas raised the same concerns about 3G coverage and 3G coverage, but the impact on consumers in rural, regional and remote areas can be more pronounced because the consumer may:

- live in a blackspot and has zero coverage rather than just poor coverage
- have more difficulty accessing essential services without phone or internet because they live too far away to quickly or easily travel to access physical essential service locations
- be medically vulnerable and lives far away from support services, family and friends
- be at greater risk of experiencing severe impacts from natural disasters
- have less choice between service offerings as telcos that provide mobile, wireless internet or wireless VOIP services in their area may be using the same network.

6. Concerns about disaster response capabilities

(h) efficacy and capability in disaster situations;

The TIO did not identify any contacts where the 3G shutdown led to poor coordination or response during or following a natural disaster.

A small number of consumers across 3G shutdown contacts and relevant 3G contacts raised concerns about the lack of coverage because they lived in a natural disaster-prone area and were worried about what would happen in the future.