



Telecommunications
Industry
Ombudsman

TIO Good Industry Practice Guide for Financial Hardship

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About this guide

We expect providers to respond to the circumstances of consumers who are experiencing financial hardship in a fair and flexible way. This guide outlines what we think is good industry practice for complaints about financial hardship.

Good industry practice is different to minimum legal obligations for providers. These obligations are set out in the:

- [Telecommunications Consumer Protection Code 2019](#)
- [Telecommunications \(Financial Hardship\) Industry Standard 2024](#)
- [Telecommunications Service Provider \(Customer Identity Authentication\) Determination 2022](#)
- [Privacy \(Credit Reporting\) Code 2025](#)
- [Debt Collection Guideline: for collectors and creditors 2021](#)

We expect consumers to participate with providers in finding ways to resolve their complaints.

We always consider the individual circumstances of each complaint when deciding on fair and reasonable resolutions. View our [Fairness Framework](#) to learn more.

Examples of Good Practice for Financial Hardship

Good industry practice means providers responding to the circumstances of consumers who are experiencing financial hardship in a fair and flexible way.

1. Responding appropriately to complaints about financial hardship

1.1 We expect providers to respond appropriately to complaints where consumers are experiencing financial hardship by:

- Having clear processes for managing and responding to complaints
- Complying with their policies and processes for helping consumers in financial hardship
- Prioritising consumers who rely on services for medical or psychological help and those experiencing domestic and family violence
- Offering to modify plans instead of cancelling them or disconnecting/suspending them
- Suspending disputed charges while disputes are ongoing with either providers or the TIO, including clear explanations of how:
 - disputed charges will be separated from undisputed charges
 - they can pay undisputed charges while complaints are ongoing
- Making offers to consumers to resolve complaints in good faith
- Helping consumers avoid financial hardship by not selling them more services or not selling debts to debt collection agencies
- Helping consumers manage debt and adjusting plans to lessen ongoing financial hardship
- Not charging late payment fees
- Not selling debts when consumers are experiencing financial hardship.

2. Assessing consumers' capacity to pay

2.1 We expect providers to assess consumers' capacity to pay in complaints involving financial hardship by:

- Responsibly and appropriately assessing consumers' ability to pay bills when they apply for products and services
- For existing consumers this might include:
 - reviewing their payment histories for existing products and services
 - making sure consumers can afford any increased costs

- For new consumers this might include:
 - getting consent to check credit with external credit-reporting bodies, such as illion and Equifax
 - telling consumers that credit checks appear as enquiries on their credit files.

3. Limiting further debt

3.1 We expect providers to limit further debt in complaints involving financial hardship by:

- Supplying consumers with tools and information to manage their usage and spend
- Telling consumers about the tools available to manage their services and how much they spend each month
- Intervening at the first signs of hardship to limit consumers' exposure to further debt
- Not selling debt to debt collection agencies
- Telling consumers when they use 50%, 85%, and 100% of their call/data allowances and what happens when they exceed these allowances
- Where possible, providers should offer consumers choice of delivery methods for usage and spend notifications
- Notification should be as close to real time as possible.

3.2 When consumers face large one-off charges, we expect providers to:

- Understand these may lead to financial hardship for consumers
- Proactively consider support for consumers experiencing financial hardship by, for example, letting them pay large one-off charges over the duration of the cancelled contract, or via payment arrangement if there is no fixed term contract that was cancelled
- Not sell products and/or services to consumers where such sales are likely to push them deeper into financial hardship.

4. Billing and payment options

4.1 We expect providers to offer consumers:

- Two free methods for consumers to pay bills, one of which is manual
- Support for consumers who want to stop direct debits for bill payments by explaining:
 - when they issue bills

- how else consumers can pay bills
- when bills are due, and
- how not paying bills on time affects them
- Options to prepay their bills or pay parts of their bills if they need to
- Itemised bills before paying by direct debit or any other method
- Enough information on bills to ensure the charges are what consumers agreed to
- More time to pay when providers delay issuing bills, and, if necessary, arranging payment plans to suit consumers' needs.

4.2 Where consumers and providers agree to payment arrangements, we expect providers to confirm with consumers:

- When they will pay
- How much they will pay
- How long they will pay for
- What the payment method is.

5. Payment arrangements

5.1 We expect providers to set up flexible payment arrangements with consumers experiencing financial hardship by:

- Making sure all consumers can access financial hardship support
- Proactively identifying consumers who may need financial hardship support
- Listening to and offering help with financial hardship when consumers say, or imply, they are having payment difficulties. Consumers may show they need help with financial hardship by saying they:
 - are having difficulty or need help paying a bill
 - want to know about options to reduce or manage spending
 - have money problems, are struggling, are in trouble, or have issues
 - have a low income
 - are facing cost-of-living pressures.
- Speaking with consumers in an empathetic and appropriate way that meets any accessibility needs consumers may have
- Training their staff to manage and initiate requests for help with financial hardship

- Offer consumers a range of options to address financial hardship. At least, this should include:
 - payment extensions
 - payment plans tailored to meet consumers' capacity to pay
- Offer consumers at least six options of assistance to help with financial hardship¹:
 - Included in the six must be any or all the following:
 - temporarily postponing, extending or deferring the time for paying a bill
 - discounting a bill charge
 - applying a credit to the consumer's account
 - waiving a debt
 - payment plans which are tailored to meet a consumer's ability to pay
 - establishing an arrangement whereby the provider matches payment made by the consumer or gives credit in exchange for payments made by the consumer
 - and may include:
 - controls on how a consumer can incur charges with the provider, including spend controls
 - restrictions
 - removing non-essential features of a telecommunications product at no cost
 - transferring the consumer to a different product that better suits their circumstances
 - adjusting internal threshold limits so that the consumer is not disconnected
 - offer a free non-automatic payment method

5.2 Where consumers ask for help with financial hardship, we expect providers to:

- Not ask consumers to prove their financial situation.

5.3 Where consumers ask for help with financial hardship for more than three months, we expect providers to:

- Train staff to assess consumers' requests for help quickly and efficiently within five business days
- Not restrict services while they are assessing consumers' situations
- Give consumers details of any financial-hardship arrangements in writing via a medium that suits them (for example, via email or letter). The information must clearly outline:
 - the terms of arrangements

- what will happen if consumers do not meet the terms
- how consumers may change arrangements, including how to contact us.

5.4 Where providers see signs of financial hardship, we expect them to:

- Intervene early to avoid increasing stress and worsening financial positionsⁱⁱ
- Engage with consumers in financial hardship arrangements as soon as they miss payments
- Show flexibility with existing arrangements where consumers' situations have changed.

6. Credit management

6.1 Where consumers miss payments, we expect providers to:

- Speak with consumers about any financial hardship they may be experiencing within five business days of the last missed payment
- Contact consumers by their preferred method (phone, email, letter or text)
- Ask consumers to contact them via a specific phone number or email address
- Train staff to be empathetic and flexible when consumers contact them
- Immediately offer options for help with financial hardship by their preferred method of contact.

6.2 Where providers want to recover debt, we expect them to:

- Stop debt recovery when consumers tell them or us about financial hardship
- Not begin or continue debt recovery when consumers comply with payment arrangements
- Only begin or continue debt recovery as a last resort when all other attempts to engage consumers have failed.

6.3 Where providers want to limit services, we expect them to:

- Not restrict, suspend or disconnect services when consumers tell them or us about financial hardship, disputed charges and/or comply with payment arrangements
- Not restrict the services of consumers who rely on services for personal or medical safety
- Train staff to assess the reasonableness of credit management action and respond to consumers with understanding
- Only restrict, suspend or disconnect services as a last resort when all other attempts to engage consumers have failed.

7. Default listing

7.1 We expect providers to help prevent consumers from getting worse credit scores by:

- Not default listing consumers who have debts in payment arrangements
- Understanding default listing consumers may push them deeper into financial hardship
- Only default listing consumers as a last resort when all other attempts to engage consumers have failed.

References

For more information, please see our:

- [Good Industry Practice Guides](#)
- [Guidance Documents](#)
- [Terms of Reference](#)

ⁱ Options for assistance, Section 18 Telecommunications (Financial Hardship) Industry Standard 2024

ⁱⁱ Responding to consumers in financial hardship, TIO Systemic Investigation Report, 2021