

How we can help with complaints about financial hardship

Guidance Document

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Who is this document for?

This document is for anyone who wants to understand how the TIO approaches complaints about financial hardship. It's designed to help consumers, representatives, and members of the scheme understand our work process and our expectations.

Whether you're making a complaint or responding to one, this guide explains how we work towards fair and consistent outcomes.

1. Common types of complaints involving financial hardship

The following is a list of common financial hardship complaints we can help with. This list does not cover all complaints, and we encourage all parties to contact us to find out if we can help with the complaint or concern.



1.1 Debt collection and default listing

- Selling debts to debt collectors without enough notice
- Default listing without considering financial hardship



1.2 Unclear bills

- Experiencing domestic and family violence
- People living with disability
- People experiencing serious health issues
- Refusing consumers help with financial hardship



1.3 Refunds for services not delivered

- Only offering direct debit payment arrangements
- Payment arrangements that don't consider consumers' circumstances

2. How we handle complaints

When handling complaints about financial hardship, we uphold fair procedures and practices in all aspects of our work. We engage with all parties in a clear, independent and transparent way. We seek to build trust and collaboration through our engagement with all parties. We use common approaches to do this.

The following examples show how we may resolve cases. The examples are guides only. What is fair and reasonable depends on the individual circumstances of each complaint.

2.1 Debt collection and default listing

The common complaints consumers make are about providers selling their debts to debt collection agencies without enough notice, default listing them when they are experiencing financial hardship and refusing them help with financial hardship. These issues may contribute to greater financial hardship for consumers.

Selling debt

We expect providers to stop debt recovery (including selling debt) when consumers tell them or us about financial hardship. We may ask providers to show us they have stopped all debt recovery action and what steps they have taken with consumers to arrange payment plans that suit the circumstances of individual consumers.

We expect providers to not begin or continue debt recovery when consumers comply with payment arrangements. We may ask providers to show us they have updated automated systems, such as direct debits and notifications, to reflect this.

We expect providers to only begin or continue debt recovery as a last resort after all other attempts to engage consumers have failed. We may ask providers to show us what other steps they have taken to engage consumers.

Default listing

We expect providers to not default list consumers who have payment arrangements or are in the process of setting them up. We may ask providers to show us they have updated automated systems reflect payment arrangements.

We expect providers to only default list consumers as a last resort after all other attempts to engage consumers have failed and after the provider has complied with their regulatory obligations. We may ask providers to show us what steps they have taken to engage consumers and meet their obligations. This includes documents showing us the relevant notifications for default listing.

Solutions

If we find providers have sold debt when consumers told them or us they were experiencing financial hardship, we may ask providers to buy back sold debts, offer payment plans suited to consumers' individual circumstances or waive some charges.

If we find providers have default listed consumers who told them or us they were experiencing financial hardship or where the provider has failed to meet its regulatory and legal obligations, we may ask providers to buy back sold debts, remove default listings and offer consumers payment plans suited to their individual circumstances.

Case study: Charlotte lost her job during the pandemic and asked SmileTel for help

Charlotte lost her job due to the COVID-19 pandemic. She moved back in with her parents to save money. She was unable to pay her mobile phone bill and struggled to pay her other bills. She told SmileTel and asked for help. SmileTel extended the due dates for her bills.

A few months later, SmileTel disconnected her service and charged her \$1,200 in termination fees. It then listed a default on her credit file and sold the debt to a debt collection agency.

Charlotte found a new job and made a payment arrangement with the debt collector. Charlotte made these payments but SmileTel demanded additional payment and refused to reconnect the mobile service.

We asked SmileTel to show how it shared its financial hardship policy with Charlotte and what steps it had taken with her when it decided to disconnect the mobile service. SmileTel said she did not apply for financial hardship under its policy and its credit management practices were automated, so while it extended the due date for the bills, it did not stop the automated processes.

We asked SmileTel for copies of its account records and the notifications it sent to Charlotte. The documents showed us Charlotte had contacted SmileTel several times and talked about her financial hardship. They also showed SmileTel did not tell her about its financial hardship policy and did not update her residential postal address.

In a Fair and Reasonable Assessment, we found Charlotte would likely have applied for help with financial hardship if she knew about SmileTel's policy. We recommended SmileTel buy back the debt, remove the default listing, waive the balance and reconnect Charlotte's mobile service.

SmileTel and Charlotte accepted the assessment.

2.2 Inflexible payment options

Consumers complain to us about inflexible payment options. The most common complaints are where providers only offer direct debit for payment arrangements or offer payment schedules that don't suit when they get paid.

Direct debit repayments

We expect providers to tailor flexible payment arrangements to the individual circumstances of consumers.

In handling complaints where direct debits are the only method of payment, we may ask providers to tell us how a singular payment method demonstrates flexibility and meets its regulatory obligations.

We may assess how provider responses match the individual circumstances of consumers and share our findings.

Repayment schedules

When both parties agree to payment arrangements, we expect providers to confirm with consumers and show us when, how much, for how long and how they will pay. Where circumstances change for consumers, we expect providers to demonstrate flexibility in rearranging payment schedules to ensure they meet the needs of both parties.

When handling complaints about repayment schedules not aligning with consumers' paydays, we may assess how provider responses match the individual circumstances of consumers and demonstrate flexibility in meeting the needs of both parties, especially where the circumstances change.

Individual circumstances

We expect providers to show us how they have included consumers' individual circumstances when setting up payment arrangements with them. This may include offering free payment options, physical and electronic payment options and ongoing proactive help. We may ask providers to show us they have offered suitable options to consumers.

Solutions

If we find providers accept only direct debits in payment arrangements, we may ask them to offer alternative payment methods that meet the individual needs of consumers and their regulatory obligations. We may expect at least one of these alternative payment methods to be non-electronic, that is, to include people who do not use the internet.

If we find repayment schedules do not align with consumers' paydays, we may ask providers to rearrange schedules to do so.

If we find providers do not respond to consumers' changing needs, we may ask providers to demonstrate flexibility in rearranging schedules to meet the needs of both parties.

Case study: Inflexible payment options

Martin has many mobile service and phone contracts with Green Broadband. Two of them are for his children. He agreed to these contracts when he was in a good financial position. In 2023 his circumstances changed, and he was no longer able to afford them all.

He spoke to Green Broadband seven times on webchat and in Green Broadband's local store. He told Green Broadband he was experiencing financial hardship and would not be able to afford them all. He said he wanted to cancel two of the mobile services and return the phones.

Green Broadband offered to set up payment arrangements but would not cancel the contracts or accept return of the phones. It said Martin had agreed to the contracts and must keep paying.

We asked Green Broadband what its financial hardship policy says about the options available to customers when they experience financial hardship. Green Broadband said its frontline staff can provide some credits and set up payment extensions and short-term arrangements, but only its financial hardship team was able to authorise cancellation of contracts and return of devices. It said Martin did not talk to the financial hardship team.

After a conference call with Green Broadband and Martin, we were able to help Green Broadband understand Martin's financial circumstances and what he was able to afford.

Green Broadband then said Martin could return two of the phones and showed him cheaper ones his children could use. Green Broadband also helped Martin change to a cheaper mobile plan and waived some of the charges from his bills.

Martin and Green Broadband both agreed to the outcome and Martin was able to pay the balance on the account.

3. Laws, Codes and relevant information

The laws, codes and relevant information below are what we will consider in complaints involving financial hardship.

- [Australian Consumer Law](#)
- [Debt Collection Guidelines for Collectors and Creditors 2021](#)
- [Emergency Call Service Requirements 2020](#)
- [Telecommunications Act 1997](#)
- [Telecommunications Consumer Protections Code 2019](#)
- [Telecommunications \(Consumer Complaints Handling\) Industry Standard 2018](#)
- [Telecommunications \(Financial Hardship\) Industry Standard 2024](#)
- [Telecommunications Service Provider \(Customer Identity Authentication\) Determination 2022](#)
- [TIO Terms of Reference 2025](#)

TIO Good Industry Practice

Our Good Industry Practice Guide for Financial Hardship sets out what we think is good industry practice for complaints about faults with services and equipment. We expect providers to respond to consumers experiencing financial hardship appropriately, tailoring solutions for the individual circumstances of each complaint.

The Good Industry Practice Guide for Financial Hardship sets out our expectations of providers under these headings:

- Responding appropriately to complaints about financial hardship
- Assessing consumers' capacity to pay
- Limiting further debt
- Billing and payment options
- Payment arrangements
- Credit management
- Default listing

Please see the [TIO Good Industry Practice Guide for Financial Hardship](#).