



Telecommunications
Industry
Ombudsman

TIO Policy Position Statement – Cancellation practices



1 Overview

The Telecommunications Industry Ombudsman (TIO) supports strengthening the legislative framework that governs telcos' obligations and consumer rights for consumer-led contract cancellations. We want to see telcos' cancellation processes become more accessible, transparent, and consistent for consumers. Our view is based on our experience dealing with consumer complaints about telecommunications goods and services.

Australians are losing time and money, and are experiencing emotional distress, due to poor cancellation practices. Barriers to cancellation, such as call-to-cancel requirements, make it difficult for shift workers, consumers with a disability, and those overseas to cancel their services. Confusing or hard-to-find cancellation processes also waste consumers' time and may cause some consumers to give up and continue paying for services they no longer want or need.¹

In recent years, international jurisdictions have taken action to protect consumers from unfair cancellation practices.² Domestically, calls for an end to complex cancellations are increasing.³ With telecommunications being relied on as an essential service, it is critical that requirements on telcos reflect this.

2 Future state

Planned future change to government policy – recently announced unfair trading practices reform

In November 2025, the Federal Government announced its intention to develop legislation banning unfair trading practices, like subscription traps, and to strengthen protections on drip pricing. The TIO supports these changes to enhance consumer protections, particularly where they assist in removing barriers to cancellation. We strongly support applying the prohibition on unfair trading practices to the communications sector, including telecommunications and digital platforms. We encourage the government to consider the following examples of unfair trading practices in the telco sector as a part of its legislative drafting.

¹ Consumer Policy Research Centre, August 2024, [Let Me Out - Subscription trap practices in Australia - CPRC](#)

² See generally the [Digital Markets, Competition and Consumers Act 2024](#) (UK) and the [Digital Services Act](#) (EU)

³ [Stopping unfair trading: subscription traps and hidden fees targeted | Treasury Ministers](#), November 2025; Consumer Policy Research Centre, August 2024, [Let Me Out - Subscription trap practices in Australia - CPRC](#)

What changes to the rules do we want to see?

Consumers must be equipped to make informed decisions at every stage of the sign-up and cancellations process. We want unfair cancellation barriers removed, and appropriate remedies offered when things go wrong. To achieve this, we support the development of an obligation that incorporates the changes set out below. We believe these changes are consistent with the objectives of the Australian Consumer Law—to protect consumers and ensure fair trading—and the Telecommunications Consumer Protections Code, which promotes good service and fair outcomes for telecommunications consumers.

Consumers empowered to make informed decisions

1. An obligation on telcos to use their best efforts to inform consumers of an estimate of final charges and impacts on related contracts before confirming a cancellation (if applicable)

It is not uncommon for us to hear from small business consumers who, when cancelling a service, were surprised by high fees for paying out a related equipment contract. We also hear from consumers who were surprised by extra charges when paying the final bill for a cancelled service. We know that many telcos now inform consumers that they may receive additional charges when cancelling a service.

We also acknowledge that some telcos do not get the opportunity to do this, if for example, the consumer is porting their service. In such circumstances, we believe that upon request, a consumer should be provided with a transparent estimate of final charges and impacts on related contracts. Where the telco is notified of the cancellation, they should provide consumers with a transparent estimate of final charges and impacts on related contracts before the cancellation is confirmed.

Aarna* was surprised with a 10k pay out to cancel her contract

Aarna runs a ski lodge which relies heavily on landline calls to receive bookings. The phone lines in Aarna's area went out for two months over the peak ski season. This was stressful for Aarna and resulted in a loss of business and poor reviews.

When Aarna tried to move to a new telco, she was told she needed to pay out 10k to cancel her contract. Aarna was unhappy with this outcome, considering she was cancelling her service due to dissatisfaction.

**Names of all parties have been changed.*

2. Mandatory subscription notifications including contract cancellation information and a requirement to opt-in for subscription renewal if the subscription term is over 12 months

Many telco products operate on a subscription style service. Subscription style products can include prepaid and postpaid plans, technical support services, yearly device upgrade option plans, and directory listings. Consumers have told us they were not aware that a telco subscription product they had was going to be renewed before it occurred. For some telco products, the contract term can be up to one year, which is a long recommitment for an unwanted product. Consumers have also told us that when they could not cancel their subscription, or when their cancellation request was not processed, their subscription rolled over into a new month, which meant they had to pay another month for a service they no longer wanted.

Amber* unknowingly paid \$900 for a service she thought was cancelled

Amber called YellowCom to cancel her phone number when she was moving overseas. A year later, Amber discovered she was still being direct debited for an unused service she believed she had cancelled. Amber told us she thought the cancellation had been processed, as YellowCom stopped sending her bills or notifications from the cancellation date.

When Amber contacted YellowCom to resolve her complaint, they confirmed she had not used the service during the year she was charged, yet they refused to refund the \$900 they debited from her account.

**Names of all parties have been changed.*

To protect consumers from subscription traps (where cancellation barriers effectively trap consumers into paying for services or products they no longer want or need), telcos should be required to provide consumers with subscription notifications before service renewal, at the end of free trials or introductory offers, and when issuing a subscription receipt.

The following information should be included in subscription notifications:

- the minimum subscription renewal term
- the minimum total cost for renewing the subscription
- how the consumer can cancel their subscription, and
- any costs involved with cancelling the subscription.

If the consumer agrees to the above terms, and the subscription period is over 12 months, they should be required to opt-in to renew their subscription.

Lucas Autorepairs* cannot cancel its business directory listing subscription

After Lucas Autorepairs ceased operating, it tried to cancel its business directory listing subscription, which it paid for through its telco provider. However, every time it contacted its telco provider to cancel the directory listing and to get a refund, it was told to contact the directory listing company directly to cancel. When Lucas Autorepairs tried to cancel through the directory listing company, it was told to contact the telco provider. In the meantime, Lucas Autorepairs continued to receive a new bill each month.

When the subscription was due to expire at the end of the financial year, Lucas Autorepairs was told the directory listing would be cancelled, however, because the subscription operated on an opt out auto renewal basis, the subscription renewed automatically.

**Names of all parties have been changed.*

3. A requirement for telcos to display a clear hyperlink to its cancellation process on its website or app homepage

We receive complaints from consumers who found telcos cancellation processes to be difficult, unclear, and confusing. Sometimes this occurs because a provider places formal requirements on cancellation procedures that consumers are unaware of or may have difficulty meeting (such as requiring cancellation requests to be submitted over the phone or in writing). This can also occur when providers engage in the use of 'dark patterns' on their website, which manipulate consumer choice and experience, making it harder to cancel a service.⁴

Recent research shows that accessibility issues make it even harder for consumers with a disability to cancel their telco services.⁵ This is because of cancellation barriers including difficulty locating the cancellation option itself, inconsistent page layout and navigation, and lack of information in the frequently asked questions.⁶ To improve accessibility and ensure consumers can make informed decisions, telcos website or app homepages should clearly display directions to a plain-English, accessible cancellation process which informs consumers of any mandatory cancellation methods.

Cancellation barriers removed

4. A prohibition on unfair customer retention practices

⁴ Consumer Policy Research Centre, August 2024, [Let Me Out - Subscription trap practices in Australia - CPRC](#);

⁵ Centre for Accessibility Australia, April 2024, [Cancellations for All - Centre For Accessibility Australia](#)

⁶ Ibid.

Consumers have told us that their telco's customer service staff tried to convince them not to cancel, failed to action their request to cancel, or pressured them into signing up for a new service.

While consumers can benefit from customer retention practices, unfair tactics that pressure consumers to keep products or services they do not want or need, waste consumers' time, limit consumer autonomy, and cause consumers to experience financial and emotional harm should be prohibited. Fair customer retention practices should be clear and transparent, avoid time-limited offers, be easy to accept or decline, and provide cost-effective, beneficial solutions that genuinely meet consumers' needs.

Case Study: ChronoCall pressured Prue to sign up for new services when she called to cancel*

Prue had a mobile service with ChronoCall. Prue called ChronoCall to cancel her service. The ChronoCall representative Prue spoke to was reluctant to process the cancellation. Instead of cancelling Prue's service, the representative pressured her into signing up for new services she did not really want.

Eventually, ChronoCall convinced Prue to sign up for a tablet device and mobile broadband service.

When Prue contacted ChronoCall to complain about the sale and ask to cancel the tablet contract, ChronoCall did not respond for three months.

**Names of all parties have been changed.*

5. An obligation on telcos to enable a consumer to cancel using the same method they signed up with

It should be as easy to cancel a service as it is to sign up to a service. To support this, telcos should be required to accept cancellation requests via the same method that the consumer signed up with. For example, if a consumer signed up in store, they should be able to cancel in store.

6. Limitations on mandatory notice periods for cancellation, ensuring they are only as long as reasonably necessary

We receive complaints from consumers who have been charged for 30 days following their cancellation request due to their telcos' notice period policies. Consumers are not always aware of these policies, leading to confusion and financial stress when unexpected charges

occur. Consumers have also told us that they have been charged for notice periods after changing National Broadband Network (NBN) providers, despite services being automatically cancelled when an NBN service is transferred. This could result in consumers being liable to pay for two services at the same time, when they are only receiving one.

Telcos' use of mandatory notice periods should be limited to what is reasonably necessary. We understand that some telcos need notice of cancellation in order to process it before the service renews. This may be particularly important for resellers, who must contact the wholesaler to confirm cancellation. Notice periods may be appropriate in circumstances where a telco cannot get a refund from its wholesaler. Alternatively, long notice periods may constitute an unfair contract term under the ACL if the telco receives a wholesaler refund and the consumer cannot use the service. Assessment of what is reasonably necessary should factor in the necessary time for a telco to process and action a cancellation request, as well as any wholesale costs the telco cannot avoid.

7. A requirement that telcos use their best endeavours to cancel a consumer's service at the time agreed with the consumer

We have heard from consumers whose telco failed to action their cancellation request and continued to charge them for services they did not want or need.

Andy was charged for a full year after he requested cancellation

Andy asked Tui Telco to cancel his internet service in May 2024 as he was going away for a year. He thought this was confirmed, but when he returned a year later in May 2025, he received a bill of nearly \$6,000. Andy tried to dispute this with Tui Telco, however, the issue remained unresolved for three months, so Andy contacted the TIO.

After contacting the TIO, Tui Telco waived Andy's fees.

**Names of all parties have been changed.*

Delays or failures to process cancellation requests can cause consumers significant financial and emotional distress, in addition to time wasted trying to confirm their request. It can also erode trust and confidence in the telecommunications industry.

Elderly consumer continued to be debited after cancellation, telco required in store presence to resolve the issue

June is 90 and recently moved into an aged care facility. When June moved, June's daughter helped June cancel her Rosie Telco landline and internet services. Despite receiving assurances that the services were cancelled, Rosie Telco continued to

automatically debit money from June's bank account. To avoid the inaccurate charges, June cancelled her credit card.

June later received a suspension notice from Rosie Telco. June does not have an email address or mobile number, and without these, the only option provided by Rosie Telco to resolve the issue was for June to visit the nearest store which was 25km away. This was not a feasible solution for June as she only leaves her facility for medical reasons.

**Names of all parties have been changed.*

In the energy sector in Victoria, when a consumer cancels their service, a retailer is required to use its best endeavours to ensure that the customer's meter is read at the time agreed with the customer.⁷

To avoid overcharging consumers, telcos should use their best endeavours to cancel a consumer's service at the time agreed with the consumer. 'At the time agreed with the consumer' refers to the date when the consumer, using the cancellation method specified by the telco, requests that their service be cancelled.

8. Telcos adopt a more flexible approach to the authentication methods they offer under the *Telecommunications Service Provider (Customer Identity Authentication) Determination 2022*, ensuring these processes do not create barriers to cancellation

Consumers have told us they were unable to successfully complete multi-factor authentication (MFA) because their telco required them to use an authentication method that was not accessible for them. This can be because the telcos preferred MFA method relies on incorrect or out of date contact information for the consumer. This can pose as a barrier to consumers wanting to cancel unwanted services or accounts. Many of the complaints we have seen about this occur in circumstances where there was likely an alternative and more suitable form of MFA available under the Determination, but the telco did not make that method available.

We want to see telcos take a flexible approach to the authentication methods they offer under the Determination, ensuring they offer an accessible authentication method that enables consumers to cancel their service or account.

Kaname's telco did not give her adequate assistance to complete its identity verification process*

Kaname decided to cancel her mobile service with Propeller Net, as it no longer met her

⁷ See the [Energy Retail Code of Practice 2024](#)

needs. After cancelling the service, Kaname received a notice from Propeller Net saying she would need to pay around \$800 for remaining charges on her mobile handset. Kaname was unsure whether this amount was correct and thought she might have been overcharged.

Kaname called Propeller Net to ask about the notice, but Propeller Net refused to discuss it with her. Propeller Net said it needed to identify Kaname by SMSing a code to her phone, but Kaname had changed her mobile number and was not able to receive the code. Kaname explained this, but the Propeller Net representative did not help her to identify herself in a different way. Instead, the representative told Kaname they could not help her and ended the call.

After we referred Kaname's complaint to Propeller Net, it helped her to complete its identity authentication process and resolved her complaint.

**Names of all parties have been changed.*

9. An option for consumers to continue paying for a linked device on a monthly basis in certain circumstances, rather than being required to pay a lump sum

Generally, where a consumer cancels their mobile service early, their telco will require them to pay out any remaining payments under a linked device repayment plan, directly as a lump sum. We consider this practice unfair in circumstances including, but not limited to:

- Where the consumer is only cancelling because the telco cannot provide coverage as promised, at the locations where the consumer needs to use their service.
- Where the consumer is experiencing financial hardship.
- Where the consumer is cancelling their service because of dissatisfaction with unilateral changes to their contract.⁸

We understand that some telcos already enable consumers experiencing financial hardship to pay their device contracts off over a longer period. We support this practice. We also understand that decoupling device repayments from a service plan increases the risk that consumers will not pay out the cost of the device. However, this risk may be mitigated by the increased likelihood of consumers being able to afford monthly repayments over a large lump sum. On this basis, we think telcos should enable consumers to pay for their linked device on a monthly basis in all circumstances listed above (and others too, as appropriate). The

⁸ We acknowledge that many plans are now "no lock-in contracts" or allow a consumer to exit the contract without penalty if they are dissatisfied with the unilateral changes to their contract. However, sometimes service plans are linked to a device repayment plan, which will incur charges if the consumer cancels their plan early.

consumer would then be able to use their device with a different telco, while continuing to pay the original telco for the device according to their original device repayment schedule.

Case Study: BranchTel changed the price of Max's service while they were still paying off their handset*

Max entered a contract with BranchTel for mobile services. As part of this contract Max received a handset to be paid off over 24 months. Max agreed to pay for both the services and handset together.

Some months into the contract, BranchTel told Max it would increase the monthly price of their mobile service. Max thought they were still on a fixed-term contract as they had not yet paid off their handset.

BranchTel said Max had two contracts: one for the mobile service and another for the handset. BranchTel said it was entitled to change the price of the mobile service under its standard contract, but Max was free to cancel their service contract if they were unhappy. However, if Max did cancel their service contract, they would need to pay off the remaining cost of their handset in a lump sum.

Max thought this was unfair and made a complaint to our office. After we referred Max's complaint to BranchTel, it resolved the complaint by covering the cost of its price increase until Max paid off their handset.

**Names of all parties have been changed.*

Fair remedies offered

10. A requirement for telcos to waive cancellation fees, provide refunds for unused services, and provide other remedies as appropriate when there has been mis-selling

Where consumers are victims of mis-selling practices, telcos should always be required to provide the option for impacted consumers to cancel their contract without penalty and receive a full refund when they return the device to the telco. Consumers should also be entitled to refunds for unused services and other remedies, such as compensation, where appropriate.

11. A requirement on telcos to refund incorrect charges applied after cancellation (if applicable)

If a consumer has stopped using a service that they cancelled using the telco's required method, but the telco failed to process the cancellation request, the telco should backdate the cancellation and refund any incorrect charges applied.

12. An obligation on telcos to provide pro-rata refunds for unused services (if reasonable)

In circumstances where a consumer has cancelled their service part way through a period for which they have already paid, consumers should be entitled to a pro-rata refund for unused services, less any wholesale charges their telco cannot reasonably avoid.

13. A mandate on a specific cancellation method (or methods) that telcos must offer

To ensure consistency across the sector, there should be a specific cancellation method (or methods) that at a minimum, must be made available to consumers. This could include a requirement on telcos to provide the option to cancel without calling, provided that appropriate safeguards are implemented, for example the obligations under the *Telecommunications Service Provider (Customer Identity Authentication) Determination 2022*, to mitigate the potential risks of exploitation by fraudsters and scammers. Despite the risks, we know that some consumers have trouble meeting, or simply cannot meet, telcos' call to cancel requirements. For example, shift workers, consumers who are overseas, and consumers with a disability. Requiring telcos to provide a specific cancellation method (or methods), including a non-call option, would make the cancellation process more accessible for consumers. It would also help to protect consumers from incurring extra debt for failing to cancel the "right way".

Pablo's* telco required him to call before he could cancel his services

Until recently, Pablo had an internet service with Kelpie Call. Pablo wanted to cancel his service, so he emailed Kelpie Call asking to cancel it. Pablo had assumed he would be able to complete any necessary customer authentication and cancel the service by email, as the CIS for his service said he could contact Kelpie Call to cancel the service at any time. He had also sent the email requesting cancellation from his regular email address, which he had registered on his Kelpie Call account.

Kelpie Call replied to Pablo saying he could only cancel by calling its customer service area. It claimed he needed to cancel this way because it needed to ensure the security of his account. This was frustrating for Pablo, as his CIS did not specify he needed to call in order to cancel, and he did not want to wait in a call centre queue to cancel his service. He also observed Kelpie Call had not required him to call to order the service in the first place. Because Pablo was unable to cancel by email, his service remained active, and Kelpie Call issued him a bill with charges for his next billing period.

After we referred Pablo's complaint to Kelpie Call, it resolved the complaint by cancelling the service and waiving the new charges on the bill he had received.



**Names of all parties have been changed.*