



Telecommunications
Industry
Ombudsman

TIO submission to Treasury's consultation on unfair trading practices exposure draft legislation

February 2026

Thank you for the opportunity to provide feedback on Treasury's exposure draft legislation amending the Australian Consumer Law (**ACL**) to enhance protections against unfair trading practices (**UTP**). We support the prohibitions on UTP proposed by Treasury, particularly where they assist in removing barriers to cancelling a subscription contract.

As the independent external dispute resolution scheme for the telecommunications industry, the views offered in our submission are based on our experience dealing with consumer complaints about telco goods and services.

We have also published a policy position statement¹ on cancellation practices in the telco industry. Through our complaints we see examples of telco consumers facing delays, confusing processes, or unexpected costs when trying to cancel a service.

We are also hearing from digital platforms users experiencing unfair trading practices. Growing numbers of people are raising complaints about digital platforms and services with us despite these complaints being outside of our jurisdiction, with over 1,700 people contacting us between 2023-25. Over 30 percent of digital platforms complaints related to fees and charges, including undisclosed subscription payments after the purchase of a digital product, ongoing charges after cancellation, and high barriers to cancellation.² Strengthening consumer protections from unfair trading practices offers an important safeguard for digital platforms users. However, to access these rights, consumers need an independent dispute resolution scheme to handle complaints, provide access to remedy against unfair practices, and uphold sector compliance.

1 We support the general prohibition on unfair trading practices

We support the introduction of a general prohibition on UTP. Our complaints and systemic investigations have revealed that some telcos have used trading practices which may be considered unfair, such as website design that makes it difficult to find key information about a product, unclear information about the pricing of products, and retention practices that pressure consumers into signing up for new services when calling to cancel a contract. The prohibition may help combat some of these practices.

Treasury, or the appropriate body, may also want to consider publishing guidance on what constitutes an UTP under the general prohibition. Guidance containing examples of UTP may be helpful to consumers and businesses alike, though it need not be an exhaustive list. In the telco industry, examples of UTP include:

- long notice periods for cancelling a contract
- cancellation processes, such as retention practices, that make it difficult to cancel a contract
- early contract cancellation termination charges which amount to the full remaining costs of a fixed contract term.

¹ TIO, [Policy Position Statement – Cancellation practices](#), January 2026.

² TIO, [Digital platforms complaints insights report](#), December 2025.



2 Subscriptions contracts

We support the prohibition against UTP for subscription contracts, as we are increasingly seeing the use of indefinite subscription style products in the telco industry. These include postpaid plans, technical support services, early device upgrade option plans, and directory listings.

2.1 Notification requirements

We are pleased to see a requirement for suppliers to disclose key information throughout a subscription, especially the requirement to disclose liabilities under the contract, notice periods to end the contract, and information about how to end the contract.

We are also pleased to see there is a requirement for suppliers to advise consumers of the notice period to cancel a subscription contract. While a reasonable notice period is industry and service specific, there should be limitations on mandatory cancellation notice periods.

Telcos' use of mandatory notice periods should be limited to what is reasonably necessary. Some telcos need notice of cancellation in order to process the cancellation of a service before the service renews. This may be particularly important for resellers, who must contact the wholesaler to confirm cancellation. Longer notice periods may be appropriate in circumstances where a telco cannot get a refund from its wholesaler.

However, a long notice period should 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.

2.2 Contract auto-renewal issues

We receive complaints from consumers who say that they were not aware that their telco subscription product 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. It is our position that the autorenewal of subscriptions should be on an opt-in basis, especially for fixed term subscriptions with lengthy contract terms (e.g. 12 months).

2.3 Cancellation requirements

We want to see telcos' cancellation processes become more transparent, accessible and consistent for consumers. We are pleased to see that suppliers will be required to provide a way for subscribers to end a contract that is easy to find, straightforward, and only requires the

subscriber to take the steps that are reasonably necessary to end the contract. There is a current gap in the telco regulatory framework relating to cancellations which the proposed amendments to the ACL may help cover.

As cancellation practices may operate differently in the telco sector, specific rules relating to cancellation practices in the telco sector may be required.

We receive many complaints from consumers about problems cancelling their telco service. Some consumers were surprised by the cost involved in cancelling their service, especially when linked to a device repayment contract. Subscriptions notices should also make it clear what costs will be involved in cancelling a subscription.

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. In FY25, we received 4,784 complaints about a failure to cancel a service.³

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. 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.

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.*

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

³ TIO, [Annual Report 2024-25](#), pg 84.



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.*

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.

2.4 Pathways to ending a contract

We are pleased to see the proposed requirement to allow consumers to cancel their subscription online. In addition to this, it is our position that telcos should be required to accept cancellation requests via the same method that the consumer signed up with.

To ensure consistency across the telco 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 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 Critical Information Summary (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.*