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ACCAN welcomes Telstra's refunds to customers misled about third-party billing

ACCAN welcomes the ACCC's announcement today that Telstra has refunded \$9.3 million to 72,000 customers who were misled about third-party billing charges under its "Premium Direct Billing" (PDB) service. However, the consumer advocacy group argues that further consumer safeguards are needed to prevent bill shock and consumer harm from occurring in the first instance.

"We are pleased to hear that 72,000 Telstra mobile customers will be refunded for content such as games and ringtones that they unknowingly purchased. We have seen that unexpected charges continue to be an issue for Australian mobile consumers and contribute to mobile bill shock," said Teresa Corbin, ACCAN CEO.

In April 2018, the ACCC and Telstra released figures which showed that until October 2017, Telstra had earned approximately \$61.7m in net revenue from premium billing services. This was generated from over 2.7 million mobile numbers.

ACCAN research shows that approximately 10 per cent of mobile services, amounting to 1.9 million consumers, have experienced unexpected charges¹; therefore the number of Telstra customers who are eligible for refunds may be much higher than the 72,000 announced today.

"If you are a current or former Telstra customer who believes that you have had unauthorised premium billing services charged to your account, contact Telstra directly to see if you are eligible for a refund," Ms Corbin said.

"While we are pleased that Telstra's announced it would cease offering third party subscriptions in mid-2017, other telco providers still continue to offer similar services. This means that there is still potential for consumers to be negatively affected."

As the peak body responsible for representing all Australian telecommunications consumers, ACCAN has played a key role in the current review of the Telecommunications Consumer Protections Code. As part of the review, ACCAN has called for the inclusion of rules that give consumers more control and transparency over their access to and expenditure on third party services billed via their telco.

Among the key recommendations that ACCAN has put forward are:

- Telcos must be responsible for handling and resolving complaints from customers about third party charges
- Consumers must activate third party charges via an opt in arrangement before a telco can bill for them
Consumers should be able to apply a spend limit for Third Party Charges to their account
- Billing for Third Party Charges must cease if the consumer has sent a STOP request to the third party service

ACCAN hopes that these recommendations will be carefully considered by the TCP Code review so that consumers are further protected from misleading third-party billing.

1 <http://accan.org.au/our-work/research/1400-third-party-charges-consumer-experiences-and-expectations>