27 November 2017

Craig Purdon
Project Manager
Communications Alliance
via email: c.purdon@commsalliance.com.au

Dear Craig

**Re: Prepaid Calling Card Guideline (G640:2015)**

Thank you for the opportunity to comment on the Prepaid Calling Card Guideline (the Guideline).

ACCAN agrees with the statement in the Guideline that “it is of the utmost importance that consumers are adequately informed and provided with enough information to allow them to determine the card which best meets their needs and are able to make an adequate comparison between cards.” However, ACCAN is of the view that the Guideline no longer functions to achieve this end, and its objectives should be revised to reflect its content.

In the past research commissioned by ACCAN analysed 50 different calling cards and found that people are essentially participating in a lottery, which very little information available about each card at the point of sale. Key findings included that:[[1]](#footnote-1)

* Only 28% cards had any sort of in-store information about rates, terms and conditions. Only 17% of cards had easy-to-find information in stores.
* 94% of salespeople could not give the customer any information about calling rates, 100% of salespeople could not provide information about terms and conditions.
* 40% of cards had significant quality problems including failure to activate, poor call quality and instances where the number of minutes provided was significantly less than the number advertised.
* No cards’ actual rate per minute matched the advertised headline per-minute rate. The average actual rate per minute was 46.78 cents with an average of 22.04 cents difference between the advertised and the actual rate.

As well as a need for market intervention, the research demonstrated a need for strong consumer protections for purchasers of calling cards. However, ACCAN accepts that these issues will be becoming less prevalent now as people make international calls using over-the-top services more frequently, and purchase fewer calling cards.

ACCAN believes the objectives of the Guideline are no longer answered by its content. Objectives are listed as:[[2]](#footnote-2)

* Providing customers with sufficient information enabling them to make decisions about the costs and benefits of using Calling Cards
* Provide guidance to Service Providers on appropriate standards for advertising Calling Cards
* Provide Guidance to Service Providers on implementation of appropriate complaint handling measures.

However, the 2015 Review of the Guideline removed sections on advertising and point of sale that replicated the Australian Consumer Law, and also sections on Customer Service Training and Complaint Handling Processes replicated by the *Telecommunications Consumer Protections Code*.

The 2015 revision also included a section from the *Emergency Call Services Requirements Code* (Emergency Services Code) relating to the provision of information about Calling Cards and emergency services.[[3]](#footnote-3) This section was removed from the Emergency Services Code in 2015 so is now found only in the Guideline.

The only sections remaining in the Guideline following the review are ‘General Rules’ (listing contact information on the Calling Card; and refund and return policy); and ‘Emergency Services Requirements’ (p.7). As this guideline is now the only location these requirements are found, it is important that if the guideline is withdrawn, the emergency services requirements are moved to a new location.

Please do not hesitate to get in contact should you have any questions or wish to discuss further.

Yours sincerely

 
Jeremy Riddle
Policy Officer

1. Erin Turner (2013), *Pre-paid calling cards: advertising, use and complaints processes in Australia,* ACCAN, Sydney. [↑](#footnote-ref-1)
2. *Prepaid Calling Cards Industry Guideline* G640:2015, p 2. [↑](#footnote-ref-2)
3. *Prepaid Calling Cards Industry Guideline* G640: 2015, p 3. [↑](#footnote-ref-3)