

Media release

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ACMA's response to Vodafail reveals deep flaws in co-regulatory model

Peak consumer body ACCAN says current and ex Vodafone customers will be left shaking their heads today when they discover that, 12 months on, the telecommunications regulator has let the provider off virtually scot-free for the widespread network, complaint-handling problems that plagued Vodafone customers last summer.

Following an investigation, the Australian Communications and Media Authority (ACMA) has issued Vodafone with "directions" to comply with the voluntary Telecommunications Consumer Protection Code.

"These 'directions' by the ACMA effectively mean what was a voluntary industry Code is now mandatory for Vodafone," said ACCAN Chief Executive Officer Teresa Corbin.

"There are no fines and no sanctions that the regulator can issue as a result of this investigation, despite its findings of four serious Code breaches by Vodafone, including customer service representatives giving their customers incorrect and inconsistent advice while experiencing widespread network problems, and failing to adequately identify and address systemic complaints."

"These network problems impacted on millions of Vodafone customers last summer and were it not for the negative publicity generated through the media picking up on the story, Vodafone might have continued to deny there was any."

"The media in Australia do a great job but we don't think holding the telecommunications industry to account should be left to journalists, consumer advocates and members of the public like Adam Brimo*.

"It is the ACMA's job as the regulator to do that. If it had the right regulatory tools and adequate funding then it could do more to monitor compliance of service providers and undertake more effective enforcement action."

ACCAN says the ACMA's investigation report highlights the need to be able to identify and address systemic issues more quickly.

"The ACMA's Vodafone investigation makes it clear that the regulator needs stronger enforcement powers and that an industry Code, governing vital telecommunication services, cannot be voluntary."

The ACMA has made six strong recommendations as a result of its *Reconnecting the Customer* inquiry into customer service and complaint handling, which ACCAN says must be fully implemented in 2012.

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* Adam Brimo set up the Vodafail.com website and summarised Vodafone customer complaints in a report submitted to the ACMA early this year.

About ACCAN

ACCAN (Australian Communications Consumer Action Network) is Australia's peak communications consumer organisation. ACCAN's goal is available, accessible and affordable communications that enhances the lives of consumers. The operation of ACCAN is made possible by funding provided by the Australian government.