ACCANect 2018

Day 2 Thursday, 13 September 2018

**Session 3: 9:40 – 10:00am**

**Australian Competition & Consumer Commission – Communications activities update**

**Presenter: Delia Rickard, Deputy Chair, Australian Competition & Consumer Commission**

**In this session, Delia Rickard will highlight some of the consumer protections that the ACCC are implementing, including broadband performance monitoring.**

TERESA CORBIN: Now I want to welcome Judi Jones to the podium. Now she is undoubtedly overseeing the TIO, the telecommunications industry ombudsman in one of the most challenging times of its history as we transition to nbn and unfortunately because she's been one of the only organisations putting out data, has often been the cap to kick rather than necessarily being acknowledged for all the hard work that gets done to try and get our complaints resolved. So looking forward to hearing from you today, Judi.

JUDI JONES: Thanks Teresa for your kind introduction and for the invitation to speak today. It's a great opportunity for us to talk to a gathered throng of people with an intense interest in the work that we do and in the telecommunications sector from a consumer perspective. In starting my speech I, too, want to acknowledge the Gadigal people of the Eora Nation on whose land we meet and pay respect to Elders past present and emerging and extend my respect to Aboriginal and Torres Strait Islander people throughout the land and in the language of my you all." I've now been in my role for precisely today, in fact, two and a half years and I feel in that two and a half years I've got to know the telecommunications sector well. Its strengths, its challenges and also the needs and frustrations of Australian consumers and in a competitive environment with differing views, ACCAN really stands out as an organisation and movement which gives consumers the opportunity to influence and be heard. As someone who's been involved previously in other consumer and regulator sectors I can see the strong value of organisations such as ACCAN who are able to bring together many representative voices into a single strong voice. Our working relationship with ACCAN is a vital part of our organisational effectiveness and we look forward to this continuing. As ombudsman, I'm really proud to lead an organisation that provides free accessible and independent dispute resolution for residential consumers and small businesses. I'm proud because I think the work that my staff do is crucial in providing a clear way forward for those who find themselves stuck in a dispute with their phone or Internet provider, or with a fault they've been unable to get fixed. Our purpose is clear. It's external dispute resolution for those with a phone or Internet complaint and for the telecommunications industry more broadly. We're the place to go when the relationship between a consumer and provider has broken down, when the consumer's not connected, when there's an impasse or when there's no more conversations to be had. What the telecommunications industry ombudsman offers is a supportive impartial place independent of the industry, of government and of consumers and this independence means know over the last few years, we've worked against the backdrop of a significant increase in the number of complaints about telecommunication services. And I think it is difficult to fully understand why this is happening. There's an assumption straight away that it's all about the nbn. It's not. Viewed historically complaint numbers have increased at times of major disruption and major change within the telecommunications sector and declined when those significant changes have bedded down. Over the last few years I think we've seen an increasing range of products and services offered to consumers, sophisticated campaigns and marketing, the rapid change in technology, the roll-out of the nbn and of course our own demands and expectations together are likely to be the causes of increasing complaints. We see it, we like it, we want it and we expect to be connected at all times. When I first came into this role I used to say we want to be connected at all times, you only have to catch public transport to see that everyone's on their phones as they travel to and from their destination. I now say you only have to go up and down in lifts. One or 30 seconds in the lift is enough time for us to want to be able to see something on our phones. Whether it's a bit of a movie, a bit of news or check our emails or Facebook. So looking at the complaints to give some context, between 2011 and 2016 complaints reduced to our office by over 40 per cent. But then as we approached the halfway mark of 2016, we saw a sharp increase of an over 40 per cent increase in that year. Moving on from 2016, while only a quarter of complaints are about services delivered over the National Broadband Network, the sharp increase in total complaints yesterday about the risk of thinking that correlation is causation. Complaints to our office are up not just about services delivered over the nbn, but about services delivered over mobile networks and about services delivered over other legacy networks. When you look at the graph if we have three lines tracked against the roll-out of the nbn those three lines go together so when complaints about services delivered over the nbn are going up, so are complaints about mobile services and legacy networks. It's a very interesting correlation. But given the scale of the roll-out affecting millions of households and businesses and creating that disruption in the industry as a whole, the trend is not surprising and I think it's important to recognise that with the significant changes in telco products, changes in the way services are being delivered, the high number of consumer complaints, everyone has been taking action, so the government, the regulators, the industry, NBN Co and my office all recently introduced measures to improve consumer outcomes, to increase consumer satisfaction with telco services, to improve provider responsiveness to complaints and to reduce complaints overall. While it's still too early to fully assess the impact of these measures, our monthly data is positive. It shows that complaints have slowed in the second part of the 2018 financial year and more information about this will be set out in our annual report to be published next month. So I think things are changing for the better. In the work that we do in helping consumers and providers find a clear way forward we firmly believe being an external dispute resolution body is the key. As reported in our last annual report, in that year 200,000 residential consumers and small businesses the resolution by a referral process of 140,000 complaints. We finalised about 16,500 conciliation investigations. In that year we moved to consistently achieving same day processing for new complaints and we consistently met closure targets for unresolved complaints that progressed after the referral. So schemes like ours are founded on the government's benchmarks of accountability and independence, fairness, efficiency, effectiveness and accessibility. When working with consumers, accessibility is something that's uppermost in our minds. In practice, what I want to see and for everyone to experience is an organisation open to all. My tablet has just stopped scrolling for a moment. Obviously having a moment! I'll just have a drink of water and pause while it gathers its brain together. It's good when you rely on technology. I'm going to wake it up again. Wrong password.

TERESA CORBIN: I'm glad you're not using biometrics! It's a good break for the interpreters anyway.

JUDI JONES: Right, where was I? In practice what I want to see is an organisation open to all. An organisation offering clarity, keeping parties informed, making decisions and giving direction towards an outcome. That's something we have focused on when we revised our complaint handling process. The response of complaints process we launched at the beginning of July this year. Looking back, though, in the 2017 financial year as I said, over 158,000 residential consumers and small businesses came to us with a complaint. 64,000 of those were talking about and nearly 42,000 about their landline phone services. Is this high? Well, yes, but it's not the highest ever and Deidre as telecommunications industry ombudsman was around when in 2011 that was the peak, almost 200,000 new complaints in that year, around the problems with mobile phone networks. What our data does show is that in the time of high competition, new products, services and promises and new networks, the industry in the sector and the regulators are getting stronger at recognising problems and finding solutions. When problems do arise it also shows consumers need a third party, the independent arbiter that understands they've spent considerable time and resources on their complaint by the time they contact the telecommunications ombudsman. I want to add I don't see our work about simply finding a remedy for the consumer. We provide just as valuable a service when we conclude that the provider has done all that they should have done, so that that's about developing trust and confidence in the industry. When I was dealing with energy complaints I used to say it's as important we find the bill is right, as we find the bill is wrong. If the bill is wrong we can get it corrected, but if the bill is right, that consumer can have confidence in the ongoing billing from that provider and it's the same in the telecommunications industry. Is there something that the provider could have done? If so, they should do it. But, in fact, if they've treated the consumer fairly, they've offered a fair and reasonable outcome it's good for the consumer to know that. Going forward I don't want us to be an organisation that simply rests on our laurels. We've heard over the past day and a bit about all the changes that are coming and about the changes in the consumer safeguards review we have to be ready to respond to those changing environments and ensure that Australian consumers and the telco sector have access to a fair, independent and accessible external dispute resolution scheme. We asked consumers what they wanted when they needed help, when they needed their dispute resolved and in a recent survey we found one in four of phone or Internet issues experienced were not resolved after four months of using the provider's own internal processes and those consumers told us what they wanted when that happened is they wanted somewhere independent at a trustworthy and competent organisation to go to help resolve their complaints and in talking to consumers and small businesses about those complaints, most told us when they contact the telecommunications industry ombudsman that's a catalyst for the phone or Internet provider to take action. 44 per cent of consumers told us that the issue they were experiencing they regarded as serious. 43 per cent said their issue was very serious. Consumers said that they had been heavily invested in getting their problem resolved, but couldn't find a path or clarity in getting an outcome. Unresolved telecommunication issues are leading to people feeling frustrated, angry and stressed. Before the consumers contacted our office, 68 per cent of those surveyed had spent a month or more trying to resolve their complaint with the provider through multiple channels, phone, letter, online, in shops for example. Those consumers had on average contacted their provider eight times, or submitted online chat or forms, or made three visits to a provider's store. And consumers then said that they felt 70 per cent said they felt frustrated. 57 said they surveyed who contacted our office said they felt stressed with the complaints process itself, with the provider's complaints process. 47 per cent said they felt powerless in dealing with the provider. People reported the difficulty of working from home without a reliable service. People said it was hard to describe how the length of time the problem had gone on had affected them. People said they felt worthless being unable to have their provider solve what seemed to be a fairly basic problem. People said they had to complain their problem over and over again. The survey also showed that the stress levels of consumers significantly decreased after contacting the telecommunications industry ombudsman suggesting the broader community benefits of an independent organisation in the sector should not be underestimated. As I said, I want us to be open for all, accessible to anyone who needs assistance. However, what we have seen is that services like ours are often the remit of engaged educated consumers who understand how to navigate organisations and processes. These consumers are usually white, educated, middle-class or the middle ranking socioeconomic groups. Our research shows complaints to our office are more likely on balance to be made by men than women and it's not surprising, because it's usually these groups who regularly access services more, whether health, education or employment. So as well as the traditional users of services we also need to make sure we're delivering our service to those who need our help the most. Aboriginal and Torres Strait Islander communities, younger groups, elderly Australians, those affected by a disability, CA LD communities and lower socioeconomic groups -those are the challenges. We have to be simple in our language, engagement and wider communication and more than anything, demonstrate empathy with the consumers' journey and show we're independent by listening to both sides and being evidence-based in our decision making. In practice for the consumer, this means our service is available in 32 languages with interpreters available if a case becomes more complex. It's our telco rights tool kit, resources for professionals working in Aboriginal and Torres Strait Islander communities. It's resolving complaints or at least providing clarity and again, not necessarily a remedy for the consumer, but a clarity about what a fair and reasonable outcome might be. It's an organisation identifying 80 possible systemic issues such as the loss of phone numbers held in family homes over decades, the destruction of property, technicians who are late or phone issues that complicate the lives of those affected by family violence. More widely, it's awareness raising and outreach which importantly directly engages lower socioeconomic groups without barriers and without jargon. It's growing partnerships with front-line professionals such as financial counsellors, community legal workers and other consumer advocacy groups who work with vulnerable groups every day. The blurb introducing me in the program promised information on the proposed new remit for the office and what it means for consumers. As Nadine has outlined this morning, we are awaiting news of any proposed new remit and as we're still awaiting for the outcome of part A of the consumer safeguards review. However, with the launch of our responsive complaints service we've revised our complaint handling processes to be more focused on resolution and to be more conferences, going straight to a decision after gathering some information where it's clear that a decision is what's needed to provide clarity to the parties. We also changed our terms of reference last year to mean that we can require all the upstream providers in that long delivery chain to be involved in the resolution of complaint. Providing information and taking action to help resolve the issues and interestingly, since we changed the terms of reference to mandate that participation, we rarely have had to use the power. Just having the potential to use that capacity has, in fact, encouraged people to participate much more voluntarily and cooperatively in the complaints process in the interests of having the issue resolved for the consumer and I think part of the support for that has been the changes in the regulator framework, the reasonable assistance rules, the complaint handling standards -all of those things are working together to help resolve and more importantly, prevent complaints from needing to come to us in the first place. Whatever the future remit is for the telecommunications industry ombudsman we want to provide a free and independent complaints resolution service. We want to continue to provide access to justice for consumers whose claims are often too small to warrant a court or tribunal process, but where the issues significantly impact on people's lives. By the time consumers contact us they've often lost trust in their provider, external dispute resolution helps to rebuild that trust. Our organisation is an essential body for those who simply do not have the skills, the power, the resources or access to information to deal with the problems connected to the essential services of phone or Internet. With no free or independent external dispute resolution body, you, thanks again to Teresa and her team. Enjoy the rest of the conference. (Speaks Maori) (APPLAUSE)

TERESA CORBIN: Thanks, Judi.