

Media release

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ACMA report highlights problems with mobile phone caps

The Australian Communication Consumer Action Network (ACCAN) says the Australian Communications and Media Authority (ACMA) report, *Mobile capped plans*, barely scratches the surface of the extent of problems Australian consumers are experiencing in relation to mobile phone bills.

The report found close to 60% of people had exceeded that cap in the past 12 months. Most worryingly, more than one in ten people surveyed reported having gone over their cap 7-11 times in the past year.

“This report highlights the problems with mobile phone caps – that a limit is not an actual limit,” says ACCAN Director of Policy & Campaigns Elissa Freeman. “The term ‘cap’ is completely misleading because most people wind up spending more than they sign up for.”

ACCAN says it is unsurprising that the mobile phone industry group, AMTA, is crowing about the figure indicating 81% of customers are satisfied with their capped plans. But what the survey respondents weren't asked, says Freeman, was if they were satisfied with a “cap” that could be exceeded.

“What ACCAN would like to see are ‘hard caps’ - caps that stop consumers going over the monthly spend they have signed up for. If the telco industry is serious about fixing their customer service problems and serious about looking after their customers’ interests, then they should put an end to ‘soft caps’ that mean nothing.”

ACCAN says the report by ACMA has some limitations in that it relied on complaints to the Telecommunications Industry Ombudsman in reaching its conclusions there weren't significant issues that consumers were experiencing in relation to caps.

“We hear time and again from consumers who are frustrated, in debt and unable to resolve the issue because the telcos simply say ‘it's all there in the contract’,” says Freeman. “The problem is many people don't make it to the external complaints body (the TIO) because they simply give up and pay up.”

ACCAN notes that the report, released today, will form part of a wider evidence based the ACMA will reply on in its *Reconnecting the customer inquiry* and says while it is a good start more detailed research is required to get to the heart of the issue.

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About ACCAN

ACCAN (Australian Communications Consumer Action Network) is Australia's new 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.