

ACCAN media release

Media release date: 21 July 2009

Telstra fees a 'bad deal' for consumers

Telstra's decision to charge consumers a fee of \$2.20 for paying their bills is ill timed and a bad deal for consumers, according to the Australian Communications Consumer Action Network (ACCAN), Australia's new watchdog for communications consumers.

Allan Asher, chief executive of ACCAN said "Tens of thousands of consumers have been affected by poor levels of service and the failure of Telstra to take their complaints seriously. Rather than charging consumers to pay their bills, Telstra should be providing rebates for consumers who have suffered service failure".

Asher went on to say "It is adding insult to injury that Telstra claims the new fee is aimed in part to recover the costs of dealing with consumer complaints. It would be better for everyone -- including Telstra shareholders -- if it improved the quality of service in the first place so consumers aren't forced to spend frustrating hours trying to resolve service problems".

ACCAN is also critical of the lack of notice -- just seven weeks -- provided to consumers about the new charges. Consumers will not have the opportunity to shop around and get a better deal or to reorganise their bill paying to take advantage of free options.

ACCAN acknowledges that Telstra has included exemptions for some consumers with disabilities and pensioners. However, short notice and lack of clarity about the arrangements will add to consumer anxiety and frustration.

Notes for editors

What can consumers do?

- Call your telephone company and ask about the cost of different payment options.
- Switch your billing arrangement to direct debit or B Pay.
- Don't rush to combine all of your accounts into one bill before checking that it provides value for money. Bundling of services can be very expensive and track consumers in long-term contracts.
- If you have a disability or receive a pension, ask your telephone company about rebates or special arrangements.
- If you have a complaint against the company which they haven't fixed, contact the Telecommunications Industry Ombudsman on 1800 062 058.

About ACCAN:

ACCAN (Australian Communications Consumer Action Network) is Australia's new communications consumer watchdog. The purpose of ACCAN is to improve consumer advocacy, undertake research and analysis from a consumer perspective and to make the market work for communications consumers. The operations of ACCAN (the Australian Communications Consumer Action Network) is made possible by funding provided by the Australian government.

Media contact: Mr Allan Asher

Email: allan.asher@accan.org.au Tel: 02 9288 4000