

ACCAN media release

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“Telcos should compensate consumers”

National telecommunications watchdog, ACCAN is calling for the introduction of a consumer compensation payment for consumers who have experienced the hassle and inconvenience of using the TIO to resolve basic disputes.

The call came as figures released today by the Telecommunications Industry Ombudsman confirm the failure by the telecommunications industry to meet acceptable standards of service.

“We think it’s only fair that a \$50 compensation payment should apply to consumers affected by poor customer service.

“This payment would be an incentive for telcos to get it right in the first instance and recognises the real costs of giving customers the run around,” Mr Asher said

Complaint issues have increased fourfold in just two years to just under half a million (480,000), according to figures contained in the *Telecommunications Industry Ombudsman 2008/09 Annual Report*.

“Dramatic increases in complaints with billing (up by 115 per cent), customer service (up by 72 per cent) and credit management (up by 117 per cent) show the sector cannot regulate itself,” Allan Asher, CEO of ACCAN said.

“These aren’t complex issues, they are simple and should be easy to fix. The only conclusion that can be drawn is that telecommunications companies just do not care about consumers.

“In March the Communications Minister threatened the industry saying he was prepared to implement regulatory measures to improve customer service and consumer protections if the industry did not rise to the challenge.

“We now call on him to act decisively by incorporating into the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, provisions of the Telecommunications Consumer Protections Code and appropriate performance benchmarks for their enforcement.

“About half of the complaints made were about telecommunications companies failing to do what they already promised to do, Mr Asher said. “This clearly demonstrates the inability of the industry to follow its own industry codes of practice.

About ACCAN

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

“Another area of concern is the rise in complaints in Priority Service Assistance, which guarantees people with life threatening illnesses, that service faults will be repaired in a timely fashion. The increase in complaints means the lives and welfare of vulnerable consumers are being placed at risk,” Mr Asher said.

Media contact: Joan Dharamdas, Tel: 9288-4000 or Mobile: 0409966931
Email: Joan.Dharamdas@accan.org.au Website: www.accan.org.au

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