



Hot issues

Compensation for telecommunications outages

Telecommunications outages happen from time to time. On November 8 2023, Optus experienced a critical nationwide outage on mobile and NBN broadband networks that lasted at least 8 hours and, for some customers, up to 12 hours. As of November 9 2023, Optus is offering affected consumers on eligible plans 200GB of extra data, and free, unlimited data for pre-paid customers on weekends for the rest of the year. For the latest information, see the Optus [Outage Response page](#).

After an outage on its mobile and fixed networks in 2016, Telstra offered its mobile customers free data days as compensation. For the NBN/ADSL outage, Telstra offered a \$25 credit to consumers and a \$50 credit to businesses who were offline for an extended period of time. This was applied automatically to customer accounts.

Depending on your circumstances, the compensation offered by your telco may not be adequate. If you or your business was affected and suffered losses due to an outage, you may be entitled to seek additional compensation.

General consumers

A consumer has the right to claim compensation under their contract and the Australian Consumer Law.

Australian Consumer Law [consumer guarantees state that](#) compensation should put you in the position you would have been in if the products or services had done what they are supposed to do.

For example: A consumer has an internet service. When the network has an outage, the consumer could be entitled to reimbursement of the service fees paid for the duration of the outage. A week long outage could mean reimbursement of a week's worth of service fees. The consumer may not only be entitled to a remedy for the defective service, but also have the telco pay for the loss incurred. This could include the telco paying for a replacement service such as excess mobile data fees incurred by the consumer while they were without their internet service.

The ACCC lists steps for [making a compensation claim](#) on its website. These steps are also posted below:

1. Work out an accurate amount of compensation you would need to return you to the financial position you were in before the problem occurred. Keep copies of any other documents that help you prove this.
2. Contact the service provider verbally or in writing to explain the problem and present your claim for compensation. You may also want to ask for a refund or replacement.

3. Show the receipt, phone/internet bill or bank statement for any necessary equivalent replacement services you have purchased.
4. If the supplier refuses to discuss your compensation claim or you cannot negotiate an agreement, you can seek formal dispute resolution through the Telecommunications Industry Ombudsman (TIO) or take legal action.

If the outage affected a standard telephone service then consumers may also be entitled to compensation under the Customer Service Guarantee. Check the [Australian Communications and Media Authority website](#) for more details.

Cancelling a service

As well as claiming compensation, consumers may have the right to cancel the service and switch providers. The ACCC website explains when and how you can [cancel a service](#).

Should I pay the bill?

In the first instance you should pay any reasonable amount owing. Where there is disagreement in the amount, it is important to lodge a complaint immediately with your telco or internet service provider, and make it clear you are disputing the bill. If you cannot reach an agreement with your telco contact the TIO and the amount under dispute will be quarantined when they take on the case. Make careful note of any reference numbers they give you.

You cannot disregard other reasonable bills for service because of a different problem. For example if you have a home phone that works you cannot stop paying that bill because a separate mobile phone service is faulty.

It is important that you pay other bills as usual because you do not want to incur fees and charges for not paying your bills.

Small business customers

The TIO provides guidance on the [types of losses](#) small businesses can claim compensation for. This includes a “business/income loss arising from lack of service due to a connection delay and/or fault on a network.”

Claims must be based on actual monetary losses suffered that are a direct result of an action or inaction of a telco. The TIO provides guidance on how lost revenue is calculated and further information in this online document: [Compensation for Business Loss](#).

You may also be entitled to the cost of steps you took to minimise your loss during an outage, for example buying an interim service.

If you are planning to claim compensation for an outage you will need to provide relevant documents to your telco to support your claim. If your telco refuses your claim, you can escalate your complaint to the TIO. Supporting documents may include: records such as bank statements, figures that show income or profit fell short of predicted forecasts and call data that shows the number of incoming calls was reduced during the outage.