

What '28 day months' mean for you

Many plans, including pre-paid plans and some month to month plans, on the market now work on a '28 day month' meaning your credit expires after 28 days, rather than the traditional 30 or 31 days of a calendar month. This is not an entirely new practice, but it is a price hike that will affect consumers who prefer pre-paid plans or month to month contracts that do not lock you in. These consumers will get 13 bills during the year rather than 12.

Twenty-eight day plans are used by Optus, Telstra, Vodafone, Virgin Mobile and amaysim. Optus, Telstra and Vodafone also offer 30 day pre-paid plans.

Things to consider if you are on a 28 day billing cycle

- It may be harder to track when payments are due and it can be tricky to budget for.
- The renewal date will be more frequent and will change often. You need to be aware of this and make sure you have money available in your bank account to pay for a direct debit or money to physically purchase credit when it expires.
- Setting up transfers from your account every four weeks is difficult as some banks only let you set up transfers on a weekly, fortnightly, monthly or quarterly basis. This might put your account into overdraft. If you do not track it you may be charged by your bank.
- Some months you will have two bills (two billing periods falling within one calendar month). Make sure you have enough money in your account to pay for this.

When shopping for a pre-paid plan look at the number of days each plan lasts for as these vary – the most common are 28 and 30 day plans. Consider the cost to make sure the plan suits your budget and also look at what is included, so you get the best plan to suit your needs. Generally you are not locked into pre-paid plans. If you are unhappy with your plan you should shop around to find a plan that better suits your budget and needs.

Case study: amaysim Unlimited plans

amaysim Unlimited customers were recently told that their billing periods will be moving from 30 days to 28 days. We have worked out what this means for you.

While the amount you pay each bill stays the same, you will pay more bills every year. With 30 day billing periods there are 12 payments per year; with 28 day billing periods there are 13 payments per year.

amaysim is balancing this with increasing the data allowance included in your plan. The increase in data allowance is good value for money, but you may not need the extra data. Now might be a good time to look at your plan. Switching to a lower plan or another provider might suit you better.

Here is how much extra you will pay and how much data extra you will receive, every 365 days (year).

Plan and monthly cost	Cost per year on 30 day billing period	Cost per year on 28 day billing period	Additional Cost per year	New Plan data allowance (GB)	Additional Data (GB) in a year
Unlimited 1GB (\$24.90)	\$303.16	\$324.81	\$21.65	1.5GB	7GB
Unlimited 2GB (\$29.90)	\$364.03	\$390.03	\$26.00	3GB	15GB
Unlimited 5GB (\$39.90)	\$485.78	\$520.48	\$34.70	7GB	30GB
Unlimited 5GB Plus (\$44.90)	\$546.66	\$585.70	\$39.05	7GB	30GB
Unlimited 8GB (\$49.90)	\$607.53	\$650.93	\$43.40	9GB	20GB