

Mandating Cash Acceptance

14 February 2025

Recommendations

This submission recommends that:

- > The Treasury ensure that telecommunications goods and services are recognised as essential services in the proposed cash acceptance mandate.
- > The cash acceptance mandate ensure that telecommunications providers do not charge fees for the use of cash to purchase telecommunications goods and services.
- > The Minister for Communications use their power under the *Telecommunications Act 1997 (Cth)* to direct the Australian Communications and Media Authority to develop an industry standard to more effectively facilitate the mandate in the telecommunications sector.

About this submission

The Australian Communications Consumer Action Network (ACCAN) is pleased to provide this submission to The Treasury on the Mandating cash acceptance consultation paper (**the Consultation paper**). ACCAN supports the mandate as an effective means to expand payment options for communications consumers.

ACCAN's submission was developed in cooperation with the Financial Counsellor's Association of Western Australia and Financial Counselling Australia and carries their endorsement.

Contents

Recommendations	1
About this submission.....	1
Introduction	3
Background	3
Responses to consultation questions	3
Are there other important reasons for people relying on cash payment?.....	3
Do you support the proposed mandate scope and application as described in Box 3.1? and if not, what are alternative approaches?	6
Conclusion.....	7



**Australian Communications
Consumer Action Network**

Australian Communications Consumer Action Network

ACCAN is the peak national consumer advocacy organisation for communications working to achieve trusted, accessible, inclusive, affordable and available communications and digital services for all Australians.

Introduction

ACCAN supports the Treasury's proposed cash acceptance mandate as a meaningful step towards ensuring consumers can continue to utilise cash to pay for essential goods and services. ACCAN recommends the Treasury undertake the following reforms to ensure that communications consumers are facilitated to use cash to pay for essential goods and services.

Background

The payment options available to communications consumers are detailed in the Telecommunications Consumer Protection (TCP) Code. The TCP Code is currently under review with the most recent draft Code requiring telecommunications providers offer consumers at least one fee free automatic payment and one fee free manual payment method.¹ The draft TCP Code does not require telecommunications providers offer consumers the ability to pay their telecommunications bills in cash, however, some telecommunications providers offer this payment option for a fee.

Direct debit is the most common form of payment for telecommunications consumers.² ACCAN commissioned research into the payment options used by communications consumers which identified that direct debit payment methods were unsuitable for many consumers due to their lack of control over payment frequencies and potential for consumers with irregular incomes to be charged late fees.³

Responses to consultation questions

Are there other important reasons for people relying on cash payment?

Digital payment systems may not be reliable in Regional, Rural and Remote (RRR) areas

Disruptions to communications services, especially in RRR areas of Australia heavily impacts the ability of communications consumers and small businesses to participate in economic activity due to the prevalence of digital payment systems. The Regional Telecommunications Infrastructure Review Committee (RTIRC)'s final report noted that participants at multiple consultation locations reported 'poor or diminishing mobile experiences' leading to local businesses suffering financially due to their heavy reliance on mobile networks for processing payments and communicating with customers.⁴ For example, the Shire of Pingelly in Western Australia noted that 'across Pingelly, including the town centre, mobile service is often so poor that residents struggle to make or receive calls indoors' and some businesses have to 'ask customers to step outside to complete card payments'.⁵ These difficulties underscore the utility of cash in areas where communications are not often reliable.

¹ Communications Alliance, Draft for public comment - C628: 2025 Telecommunications Consumer Protections Code (Code, 2024) 44. Fee-Free manual payment methods include (but not limited to) customer-scheduled transfers, electronic funds transfers, cash payments, over the counter payments, digital wallet, or credit card payments.

² ACCAN, Direct Debit in Telecommunications (Report, 2023) 1 <<https://accan.org.au/accans-work/research/2121-direct-debit-in-telecommunications>>.

³ Ibid.

⁴ Australian Government, Regional Telecommunications Review - Connecting communities, reaching every region (Report, 2024) 33 <<https://www.rtirc.gov.au/>>.

⁵ Ibid.

This difficulty is compounded by bank closures in RRR areas, disrupting access to cash⁶ and compounding the difficulties experienced by vulnerable consumers and consumers who are paid by cash who are often required to travel significant distances to bank branches.

The reliability challenges experienced by RRR communications consumers are compounded in the context of natural disasters. During and after a natural disaster cash can allow consumers who are unable to access digital payment methods to pay for food and personal items while digital payment systems are restored. Facilitating a cash mandate for essential services will complement the current emergency response kits possessed by people in disaster prone areas which contain cash to facilitate the purchase of essential items after disasters.

ACCAN's engagement with financial counsellors has demonstrated that:

- Older consumers, consumers living with a disability, from culturally and linguistically diverse backgrounds and First Nations consumers make regular use of cash.
- Cash payments allow consumers who may be experiencing vulnerability to more effectively manage their personal financial affairs in a manner which suits their circumstances.
- Not all consumers possess the appropriate digital devices to make online payments.
- Many businesses charge fees for the use of digital payment systems and paying with cash allows consumers on low incomes to avoid these fees.
- Without the assurance of cash acceptance, vulnerable consumers, including those living with a disability will be left behind by the digital economy.

Digital payment systems present difficulties for vulnerable consumers

Many barriers exist to consumers fully utilising digital payment methods, including difficulties related to digital ability and the prevalence of scam activity facilitated through digital payment systems. Using cash allows for individuals to mitigate the risk of scam activity through non-participation in digital payment systems. For example, CHOICE research demonstrated that among consumers who had experienced a scam, 61% said they had lost confidence in doing financial transactions online.⁷ ACCAN commissioned research has found that 19% of consumers do not find direct debit easy to use, while 24% prefer other payment methods.⁸ Communications consumers may find direct debit arrangements difficult to interact with as:

- Direct debit charges often arrive infrequently and irregularly, hindering consumers from making payments in a controlled, sustainable way.⁹
- Payment processing delays may incur late fees for consumers.
- Consumers may not have money available at the time of withdrawal as direct debit payments may not align with their income payment dates.¹⁰

⁶ Australian Senate, Rural and Regional Affairs and Transport References Committee Final Report – Bank Closures in Regional Australia (Report, 2024) 21

<https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/BankClosures>.

⁷ CHOICE, Passing the Buck – How businesses leave scam victims feeling alone and ashamed (Report, 2024) 4

<<https://www.choice.com.au/consumer-advocacy/policy/policy-submissions/2024/may/scams-report>>.

⁸ ACCAN, Direct Debit in Telecommunications (Report, 2023) 1 <<https://accan.org.au/accans-work/research/2121-direct-debit-in-telecommunications>>.

⁹ Telecommunications Industry Ombudsman, Responding to consumers in financial hardship Systemic Investigation Report (Report, 2021) 19 <<https://www.tio.com.au/reports/responding-consumers-financial-hardship>>

¹⁰ ACCAN, Direct Debit in Telecommunications (Report, 2023) 1 <<https://accan.org.au/accans-work/research/2121-direct-debit-in-telecommunications>>.

Research commissioned by ACCAN highlighted the concerns of financial counsellors and lawyers regarding the potential unsuitability of digital payment methods, such as direct debit, for vulnerable consumer cohorts.

“There’s been a big move to end paper bills to make services only available by online billing or having to pay additional charges for paper billing. That’s a really big barrier to older consumers but also to people who are not tech literate for other reasons, for example, people who have an ABI (acquired brain injury) or learning disabilities or people from a background where they might not have had much access to computers prior to coming to Australia.” – Lawyer, VIC.¹¹

“Direct debit... is a big problem, especially when people aren’t really realising how big their bill is going to be.” – Financial Counsellor, NSW.¹²

“I’m dead set against direct debits, especially if a person’s living week to week.” – Financial Counsellor, WA.¹³

“I do hear quite frequently that the direct debits seem to come out on the wrong day. But this definitely causes problems because then it gets thrown back because they can’t pay it, they get an overdraft fees, banks fees, whatever. So that definitely does seem to be a problem.” – Financial Counsellor, WA.¹⁴

As noted by the Consultation Paper, consumers in vulnerable circumstances, including those experiencing Domestic and Family Violence (DFV) may use cash to gain independence from the perpetrator.¹⁵ In this context, the transactional data associated with digital payment methods can be effectively utilised as locational data, alerting perpetrators of DFV to the whereabouts of victim-survivors. The use of post-paid services can carry risks for many vulnerable cohorts as consumers with limited or unpredictable incomes may experience difficulties fulfilling fixed payment obligations.¹⁶ Alternatively, consumers may have experienced post-paid mobile services facilitating unconscionable sales, leading to experiences of significant debt and distress.¹⁷

ACCAN has received numerous contacts from consumers in vulnerable circumstances who have experienced significant difficulties as a result of an inability to pay for their telecommunications goods and services with cash. In one instance, a customer living in a rural area was disconnected and needed their neighbour to drive them almost an hour to the nearest telecommunications store. Once at the store, the provider refused to accept a cash payment to reactivate the account, (on which the person relied on for their health and safety) requiring the neighbour to pay with a credit card and subsequently receive the amount in cash from the consumer. Throughout this process, the individual experienced significant distress owing to the risk of disconnection from their service.

¹¹ Action Market Research, Paying to Pay: Consumer Harms in the Telco and Energy Sectors (Research Report, 2022) 16.

¹² Action Market Research, Paying to Pay: Consumer Harms in the Telco and Energy Sectors (Research Report, 2022) 21.

¹³ Ibid 21.

¹⁴ Ibid 21.

¹⁵ The Treasury, Mandating Cash Acceptance Consultation Paper (Consultation Paper, 2024) 18

<<https://treasury.gov.au/consultation/c2024-604832>>

¹⁶ First Nations Digital Inclusion Advisory Group, Initial Report (Report, 2024) 24. <<https://www.digitalinclusion.gov.au/initial-report>>

¹⁷ ACCC, Optus in court for alleged unconscionable sales and debt collection (Media Release, 2024)

<<https://www.accc.gov.au/media-release/optus-in-court-for-alleged-unconscionable-sales-and-debt-collection>>

Do you support the proposed mandate scope and application as described in Box 3.1? and if not, what are alternative approaches?

ACCAN supports the Consultation paper's designation of the telecommunications goods and services as essential services covered by the mandate.¹⁸ ACCAN considers that it is critical that the mandate expand the **fee-free** payment options available to communications consumers to address a persistent lack of fee-free manual payment options in the telecommunications market.

Requiring the cash acceptance mandate apply to telecommunications goods and services without addressing the fees experienced by communications consumers risks replicating a status quo in which consumers are charged considerable fees for use of their preferred payment method.

ACCAN considers that this status quo may be contrary to the Government's vision for reforms to the payment system. An expansion of the payment options available to communications consumers should facilitate the fee-free payment of telecommunications goods and services with cash to support cash as an equivalent payment method. ACCAN considers that the Treasury should introduce proportionate requirements for telecommunications providers to ensure that providers above a sufficient size and scale are required to offer fee-free cash payments to consumers.

ACCAN considers that it is appropriate that telecommunications providers with more than 30,000 services in operation be required to offer consumers the ability to pay with cash without imposing fees. This would ensure proportionate application of the mandate, providing benefits to telecommunications providers and consumers.

Telecommunications Payment Options Industry Standard

ACCAN considers that facilitating a cash acceptance mandate in the telecommunications sector can be undertaken by the Minister for Communications directing the Australian Communications and Media Authority (**ACMA**) to develop a mandatory industry standard concerning the payment options available to telecommunications consumers.¹⁹

Developing a payment options industry standard will effectively facilitate the design, implementation and enforcement of the cash mandate in the telecommunications sector. ACCAN notes that the development of industry standards have previously facilitated improved complaint handling, financial hardship and outage communications for consumers.

The direction of the ACMA to develop an industry standard is an established government process, utilising the expertise of a sector specific regulator to develop prescriptive protections for communications consumers. The introduction of an industry standard will effectively support the mandate by leveraging existing enforcement pathways and create compliance incentives for telecommunications providers.

¹⁸ The Treasury, Mandating Cash Acceptance Consultation Paper (Consultation Paper, 2024) 18 <<https://treasury.gov.au/consultation/c2024-604832>>

¹⁹ *Telecommunications Act 1997 (Cth) s.125AA*

Conclusion

ACCAN thanks the Treasury for the opportunity to respond to the Consultation paper. ACCAN urges the Treasury to act on our recommendations to expand the fee-free payment options available to communications consumers to include cash payments. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact Con Gouskos, Policy Adviser, at con.gouskos@accan.org.au.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers. ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP](#)
