



# NEW TELCO COST OF LIVING PROTECTIONS

The telecommunications regulator, **the ACMA**, has developed a new regulation called the *Telecommunications (Financial Hardship) Industry Standard* (**the FH standard**), which builds upon protections in the existing Telecommunications Consumer Protections Code (**TCP Code**). The FH Standard will commence on March 29, and compliance is **mandatory**.

**Financial hardship** is a situation in which a customer is struggling to pay their telco bills due to the circumstances they are experiencing. Under the FH standard, these circumstances include:

- **Personal or household illness**
- **Unemployment**
- **Low or insufficient income, including reduced access to income**
- **Being a victim survivor of domestic or family violence**
- **A death in the family**
- **A change in personal or family circumstances**
- **A natural disaster**
- **Unexpected events or unforeseen changes that have impacted the customer's income or expenditure; or**
- **Other reasonable causes**

Eligible customers must consider that they will be able to meet the terms of a proposed financial hardship arrangement.

With the introduction of the FH Standard, customers facing financial hardship have new and improved protections. Customers who have entered financial hardship arrangements must receive specific protections from their telco. Their provider must:

- Make available assistance options that are realistic, appropriate and suits the needs of the customer.
- Offer to temporarily postpone, extend, or defer the time for paying a bill.
- Offer payment plans which are tailored to meet a customer's ability to pay.
- NOT take credit management action when a customer is discussing options or has made an application for financial hardship assistance.
- ONLY use suspension or disconnection of a telecommunications service as a measure of last resort when taking credit management action against a financial hardship customer.
- NOT sell a debt owned by a customer while a discussion of options or application for financial hardship assistance is being made, if a financial hardship arrangement is on foot with the customer, or if the provider is reviewing the arrangement for financial hardship assistance.

Telcos cannot ask for proof of financial hardship if the request is for short term assistance (less than 3 months duration), if the request is irrelevant to the application or unreasonably onerous or, if it appears the customer may be a victim survivor of domestic or family violence.

Customers and financial counsellors assisting customers only need to mention that they are having difficulty paying a bill in order to receive financial hardship support. If they do so, it is mandatory that they receive financial hardship support if they fulfil the conditions above.

For more details, including a full list of mandatory assistance options, and to view a full guide to the changes brought by the Financial Hardship Standard, visit the **Guide to telco financial hardship protections** on the ACCAN website ([accan.org.au/financial-hardship-standard-guide](http://accan.org.au/financial-hardship-standard-guide)).