

Media release

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At long last Telstra moves on bill shock but industry must hand power back to customers, says peak consumer body

Peak telco consumer group ACCAN says that today's announcement by Telstra that it will slow internet speeds on smartphones rather than charge customers excess data charges is a welcome step in the right direction towards curbing "bill shock".

ACCAN says the announcement comes a week ahead of the Australian Communications & Media Authority's (ACMA) findings regarding the telco industry's customer service and complaint handling problems, following a year-long inquiry led by the regulator called *Reconnecting the Customer*.

ACCAN says it expects the ACMA to recommend much strong consumer protections in order to tackle the root causes of the high number of complaints to the Telecommunications Industry Ombudsman (TIO).

"We're encouraged that Telstra has announced its plans to have new systems in place by the end of the year," ACCAN Chief Executive Teresa Corbin said today.

"The pressure is now on Optus, Vodafone, 3 and Virgin the other providers to follow suit to put an end to this kind of bill shock that has seen customers in recent years stung with high excess usage charges for using the internet on their smartphones."

Corbin says bill shock in various forms has been an ongoing problem for the industry and the only way to fix the problem is for providers to put their customers back in control of their monthly spends by allowing them to nominate credit limits on their accounts.

"What the telco industry needs to do is bite the bullet and put the power back in the hands of their customers by allowing them to nominate a maximum spend on their account," said Corbin. "If you are on an \$80 a month plan you need to be able to say the maximum I want my bill to be is \$80. Customers are suffering from the industry's so-called "capped" plans, which disingenuously dictate a minimum spend, rather than a maximum one."

"If telco providers are serious about stopping "bill shock" once and for all, then they need to allow customers to put in place real limits for themselves and the ability to monitor their usage in real time."

"Every time a new telco product or service hits the market consumers get hit with a fresh wave of bill shock. In the days of dial-up internet it was expensive internet dumping calls, then mobile premium services (MPS), and now excess data charges and global roaming."

"While we commend Telstra's step in the right direction today, it won't be until telcos put the power back in the hands of their customers that we'll see an end to bill shock altogether."

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About ACCAN

ACCAN (Australian Communications Consumer Action Network) is Australia's peak communications consumer organisation. ACCAN's goal is available, accessible and affordable communications that enhances the lives of consumers. The operation of ACCAN is made possible by funding provided by the Australian government.