

Media release

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New rules for telecommunication providers but tougher enforcement needed

The Australian Communications Consumer Action Network (ACCAN) says telecommunications customers should expect to see improvements in customer service, complaint handling and a reduction in the number of customers experiencing “bill shock” if the new Telecommunications Consumer Protection (TCP) Code is effectively enforced.

The Code, registered by the Australian Communications & Media Authority (ACMA) today, is the rulebook that outlines how telecommunications providers should engage with their customers.

ACCAN says the improved Code aims to address current deficiencies in customer service, complaint handling and spend management, including:

- The majority of telco advertisements will now have to include the cost of a two-minute national call, the cost of a standard SMS and the cost for 1MB of data
- Telcos will be required to offer a “Critical Information Summary” (CIS) that includes all pricing information, inclusions and minimum spend information for each product in a standard form.
- Customers will receive warnings when they have used 50%, 85% and 100% of their monthly allowance for phone and data.

ACCAN Chief Executive Teresa Corbin says the rules are fairer than they’ve ever been before.

“We’re encouraged that ACCAN and other consumer representatives, the ACMA and [industry body] Communications Alliance, working together, were able to improve the TCP Code and are hopeful that its adoption will result in clearer advertising, easier comparison of products, better information about contracts and better tools to help consumers avoid bill shock,” said Ms Corbin.

ACCAN says it is concerned, however, that customer service and complaint handling problems will continue unless the ACMA is given greater powers of enforcement.

If the ACMA finds a provider has breached the TCP Code, it can issue a direction to comply with the Code [see **Fact Sheet**]. However, it cannot directly fine or otherwise penalise the provider.

ACCAN says it has written to the Minister, Senator Stephen Conroy, urging him to bolster the ACMA’s powers.

“The big issue here is that the ACMA does not at present have strong enough powers to enforce the Code. Enforcement powers are essential in getting industry compliance. The Australian Competition and Consumer Commission, for example, has much stronger powers and its issuing of fines has sent a strong message to the telecommunications industry that its advertising cannot be misleading,” said Ms Corbin.

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.

“The ACMA has done an outstanding job over the past two years in identifying the root causes of the high number of complaints from customers about their telcos through its *Reconnecting the Customer* inquiry. The inquiry resulted in strong recommendations from the ACMA that have helped to shape these new, fairer rules,” said Ms Corbin.

ACCAN says it will play an active role in ensuring the industry adopts the new rules by checking advertising, contracts and critical information summaries and referring possible breaches to the ACMA or ACCC where appropriate. It says it will also create a Consumer Guide to the TCP Code, which will highlight key “need-to-know” information from the 102-page document.

This month ACCAN will also conduct its first national telecommunications consumer survey, which will give a broad indication of how customers are faring in relation to customer service, complaint handling and spend management.

“The ACCAN national survey will provide a benchmark that will tell us what the everyday customer experience is like. In 12 months’ time, when we conduct the second survey, we would expect to see less complaints about customer service and complaint handling, and a significant reduction in the number of people experiencing financial difficulty due to unexpectedly high bills.

“If we don’t, then it will again call into question whether or not this industry is able to comply with its own rules. The new TCP Code offers greater consumer protection than previous versions but the ACMA needs to ensure it is active in investigating potential Code breaches and is able to effectively enforce it in order to deliver real change for Australian telecommunication customers.”

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See accompanying **Fact Sheet** for more information on telecommunications industry regulation.

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