



Media Release

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Global roaming rip-off must end: ACCAN

Mobile carriers must come clean on exactly how their exorbitant global roaming fees are derived, the Australian Communications Consumer Action Network (ACCAN) says, as the federal government today announced a new international roaming standard that it is hoped will reduce the number of consumers suffering from global roaming bill shock.

ACCAN believes that without transparency as to how huge roaming charges are calculated, consumers are prevented from making an informed choice about services.

Often roaming bill shock arises because people are simply unaware of the huge costs of making a call or checking emails from their mobile phone when they are outside Australia. The new industry standard means that telco providers will have to inform their customers of exactly how much they will be charged for making a call, sending a text or going online using their mobile phone when overseas. Providers must also provide usage alerts and information on how to switch off roaming altogether.

But while ACCAN welcomes the standard, more needs to be done to end the roaming rip-off, said ACCAN spokesman Asher Moses.

"The standard will not solve the underlying problem, which is that global roaming charges are still way too high and do not come close to reflecting the true cost of providing the service," said Mr Moses. "The excuse from providers that they are simply passing on the costs from international carriers is not convincing, as virtually zero transparency is provided as to how such exorbitant fees are derived."

ACCAN believes too many Australians are coming home from trips only to learn that their roaming bill costs more than their entire holiday.

"Consumers have been gouged on roaming for far too long," said Mr Moses.

"When you think about the huge number of complaints that consumers have made about this you can only presume that the telcos are addicted to the massive profits derived from the global roaming rip-off."

ACCAN hopes the alerts under the new standard will reduce the number of consumers suffering from global roaming bill shock. However, ACCAN is disappointed that for usage monitoring the standard defines "current usage data" as anytime within the last 48 hours, meaning consumers may not be able to properly manage their own usage.

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The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communications 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.

Research by KPMG analysed Australian mobile roaming margins and confirmed that charges were significantly above the cost of providing the service. A 2011 OECD report found Australia's international data roaming charges, at about \$12 a megabyte, to be the third highest in the world, behind Japan's and Chile's.

Mobile complaints to the TIO about disputed roaming charges increased in 2011-12 by almost 70 per cent compared to the previous year to more than 4100 issues, with the proportion of disputed amounts above \$5000 more than doubling in a year to over 10 per cent.

From Monday in the European Union, new roaming price caps mean charges for making a call within EU countries dropped by at least 17% a minute while receiving a call will drop by about 12% a minute. Downloading data is 36% cheaper, and 91% cheaper compared with 2007. The EU has discussed scrapping the excess roaming charges altogether.

The recent Trans-Tasman roaming agreement between the Australian and New Zealand governments saw both countries recognise that roaming prices were out of control. Both committed to passing legislation that would empower their regulators to firstly investigate global roaming pricing and possibly cap roaming pricing between the two countries. This legislation in Australia was on the agenda for the last parliamentary sitting week but was not passed in time.

ACCAN would like to see similar bilateral agreements between Australia and other nations to help reduce gross over-charging on roaming.

Consumer tips

Consumers generally have three options for using their phone while overseas:

1. Buy a local SIM card when you arrive at your destination to access cheap local rates (requires unlocked handset)
2. Buy a pre-paid roaming SIM card before you go from providers such as TravelSIM, GoSIM, RoamingSIM or GoTalk.
3. Activate global roaming with your normal provider but beware the potential for high charges.

ACCAN recommends that travellers try to use free Wi-Fi hotspots where possible to access the web, check email and make international calls using applications like Skype or Facetime. If you are global roaming with your normal provider, use your phone mainly for SMS and switch off your voicemail as well as "data roaming" (found under network settings on your handset).

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