

Media release

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Telstra would profit by putting customers in charge

Media reports that Telstra will put in place an “app cap” to cut off smartphone users’ internet access once they’ve reached their data allowance limit are not yet a reality, according to consumer group ACCAN.

The telco giant is yet to decide whether or not they will allow their customers to nominate a maximum spend to help them avoid bill shock, says ACCAN.

“It would revolutionise the telco industry if Telstra were to put its customers in charge of their accounts by nominating a maximum bill spend on their mobile phone plans,” said ACCAN director of policy and campaigns Elissa Freeman.

“Such a move would mean the end of bill shock – unexpected mobile bills running into the thousands – because a customer on a \$49 plan could say, ‘cut off my data usage for the month once my bill reaches \$200’, for example.”

In the past few years thousands of people around the country have been caught out with sky-high bills because they have exceeded their data usage limit when browsing the internet on their mobile phones.

Such a measure could be used in conjunction with other warning methods such as SMS and/or email notification once a customer has reached 50%, 80% and 100% of the data limit included in their plan. Consumers also need access to real-time tools to manage their data usage, not the substandard tools currently available which can have up to a two-day lag.

“The problem with phone ‘caps’ is that they aren’t a maximum spend, they’re a minimum,” said Ms Freeman. Putting in place a ‘hard cap’ with real limits would benefit everyone – the industry included,” said Ms Freeman.

“As [Telstra CFO] John Stanhope indicated yesterday, big debts aren’t in anyone’s interests,” said Freeman, following an announcement the company was owed \$60 million in bad debt.

“Putting the power back in the hands of their customers would go a long way towards improving Telstra’s image and the rest of the industry would be forced to follow suit or risk losing customers,” said Freeman.

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About ACCAN

ACCAN (Australian Communications Consumer Action Network) is Australia's new 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.