



Media Release

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Telcos should set complaint reduction targets: ACCAN CEO

Telecommunications providers should set their own targets for complaint reductions and be transparent with internal complaint data in order to build greater trust with consumers, ACCAN CEO Teresa Corbin said today.

In a speech to the CommsDay Melbourne Congress, Ms Corbin said it had been three and a half years since the industry faced an ultimatum from government and regulators to clean up its act or face more regulation.

Ms Corbin praised the industry for improvements since then including a reduction in roaming charges, phasing out misleading terms like “caps”, more readily available information about customer rights to contact the Telecommunications Industry Ombudsman (TIO), critical information summaries at point of purchase and customer usage alerts.

But while TIO complaints were trending down, the 40,021 new TIO complaints recorded during January to March 2013 are still too high, particularly when compared to the 7720 new complaints recorded in the same quarter by the Financial Ombudsman Service.

“The TIO is generally regarded as one of the busiest ombudsman services in Australia,” Ms Corbin said. “Clearly there remains significant scope to drive down the level of complaints much further. So ACCAN has asked telcos to set their own complaint reduction benchmarks based on how much better they think they can – and should - do.”

Reduced complaints could be a competitive advantage to telcos as customers would be more likely to stay and recommend the provider to others.

“They might like to set a comparable benchmark, like Origin Energy did in 2007 when it set a five-year target of reducing ombudsman complaints to 1.5 complaints per 1000 customers,” Ms Corbin said. “Or they might prefer to benchmark themselves to another industry – it is up to them to decide.”

In her CommsDay Congress speech Ms Corbin also noted that while most of the six recommendations from ACMA’s Reconnecting the Customer inquiry have been implemented, implementation of the last recommendation, customer service performance metrics, is now more than six months overdue. ACCAN believes these metrics, similar to data already published by energy companies, are essential to building a more trustworthy relationship with consumers as they will result in the development of a standardised, transparent, comparable and robust method of measuring customer care performance.

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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.

“The commitment to comparable data is a further critical component in the restoration of consumer trust,” Ms Corbin said. “It will signal to customers that telcos have arrived at the next stage of their journey on delivering a better customer service environment.”

Ms Corbin also raised concerns regarding recent suggestions that some protections seen as “unnecessary” might be rolled back “to reduce red tape”, emphasizing that any reductions in regulation needed to be done very carefully as there was still evidence of persisting consumer concerns.

For instance, a mystery shopper survey published by global auditing firm KPMG in July this year found the customer service experienced provided by Australian telcos ranked 19 out of the 25 countries surveyed, including being behind Nigeria and Indonesia.

In June this year, Optus CEO Kevin Russell told ABC Inside Business that the “the industry in Australia in my view has gone backwards over the last five or six years in terms of how it treats its customers”, while Telstra CEO David Thodey said recently: “I think this [improving customer service] is definitely a marathon and I have got through the first 10km. It is a big job.”

A recent Roy Morgan report found 34% of consumers who have complained in the last six months were not satisfied with how their complaint was handled.

“There are many longstanding and important consumer protections, especially to more vulnerable consumers such as those in regional and remote Australia, which must remain part of the telecommunications landscape for the foreseeable future,” Ms Corbin said.

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