MEDIA RELEASE

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More than 1 in 2 consumers are throwing their mobile allowance in the trash

Three leading consumer organisations have joined forces, calling on Australians to stop throwing away their monthly mobile phone allowance and help drive greater competition from providers.

New research released today by the Australian Communications Consumer Action Network (ACCAN), CHOICE and the Consumer Action Law Centre (Consumer Action) shows that more than 50 per cent of mobile phone customers with an included allowance are not using their full monthly call, text or data[1].

"These findings amount to millions of Australians giving telcos a big free kick, paying for calls, texts or data that never get used," says ACCAN spokesman Mark Callender.

"You wouldn't buy $50 of groceries and throw half of them away every week, so why do it with your mobile phone spend?", Mr Callender says.

The research also found that 1 in 5 people with an included allowance found unexpected charges on their last mobile phone bill, such as late payment fees, premium service fees, or excess usage fees. Among these consumers, almost 50 per cent did nothing about it.

"When people have chosen a plan that reflects the amount they're prepared to spend on their mobile each month, unexpected additional charges can be a rude shock. Consumers need to challenge these extra charges," says Consumer Action Senior Campaigner Sarah Wilson.

The research shows that 15 per cent of consumers were not even aware if they had used their monthly mobile phone allowance or not, indicating Australians could do a lot more to drive value and competition from mobile providers.

"The telco sector is notorious for being a 'confusopoly', giving consumers the run-around with complex plans and pricing, and this research shows far too many Australians are settling for second-rate deals instead of switching," says CHOICE spokesman Tom Godfrey.

"Unfortunately that means less competition for everyone, because telcos aren't under pressure to deliver the best value products," Mr Godfrey says.

To combat the big telco free kick, the three organisations have released a tip sheet which helps consumers correctly check their phone bill, informs them of how to make a complaint to their telco, and shows them how to shop around for the right plan.

[1] Research conducted by "I-view" using an online omnibus of 1,016 people aged 18+ on 21 February 2014.

"Mobile phone users should be checking their call, text and data usage each month," Mr Callender says.

"If you're coming off contract soon and only use a fraction of your monthly allowance, shop around to see if you can get a better deal. Pre-paid options are generally great value as you can more easily control your spend and you're not locked into a contract," Mr Callender says.

Additional findings from the research include:

- Around 1 in 3 people with an unexpected charge took it to their provider, and 10% asked for a refund.
- Among the reasons for an unexpected charge, excess data usage was the most common. This comes despite the recent introduction of SMS alerts being sent to customers when they reach 50%, 85% and 100% of their monthly usage allowance.

The research has been released to coincide with the ACCC's National Consumer Congress 2014 as well as the Consumers International event World Consumer Rights Day 2014: Fix Our Phone Rights on 15 March 2015.

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