

Media release

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ACCAN calls time on misleading telco advertisements

A complaint sent by the Australian Communications Consumer Action Network (ACCAN) to the Australian Competition and Consumer Commission (ACCC) today details six separate examples of telecommunications advertising that the consumer group believes breach the Trade Practices Act because they are misleading, deceptive or unfair – and sometimes all three.

The complaint refers to advertising campaigns from the three major telecommunications carriers, Telstra, Optus and Vodafone/Hutchison, and includes examples of offers of “free” calls and texts that are unobtainable for the average customer, the use of words like “unlimited” when there are limits and lengthy exclusions and qualifications hidden in the fine print.

“The wall-to-wall deception that seems to pass for marketing in the telecommunications sector is out of control,” ACCAN CEO Allan Asher said today.

“The industry trades on a ‘confusopoly’ that banks on the fact no reasonable consumer can compare different mobile or internet plans because they simply can’t make sense of them.”

In September last year the ACCC gained court enforceable undertakings from all three major telcos to avoid using marketing hooks that had the potential to mislead consumers.

While ACCAN acknowledges the action the ACCC has recently taken in commencing proceedings against Optus SingTel for their “Unlimited” campaign it says misleading, deceptive and unfair advertising is an endemic, industry-wide problem that must be addressed by the regulator.

“It appears to us that the telcos are incapable of meeting their promises to the regulator that they’d stop misleading the public with this kind of advertising,” said Asher. “They’ve been given more than enough chances, more than enough warnings, and now time is up for the telcos – the ACCC must take action to bring this industry into line.”

ACCAN says it believes that the ACCC should seek:

- interim injunctions to cease misleading and deceptive conduct
- orders for corrective advertising
- full compensation for any consumer who has suffered loss or damage as a consequence of unlawful behaviour
- penalty-free release from any contract entered into in consequence of deception
- for each breach the supplier pays \$1 million into an education fund to promote plain language consumer information

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ACCAN CEO Allan Asher is hosting the Cyber-Security Roundtable as part of National Cyber-Security Awareness Week at Parliament House, Canberra, today and is available for interviews

About ACCAN

ACCAN (Australian Communications Consumer Action Network) is Australia's new communications consumer watchdog. ACCAN's purpose is to improve consumer advocacy, undertake research and analysis from a consumer perspective and make the market work for communications consumers. The operation of ACCAN is made possible by funding provided by the Australian government.