

ACCAN media release

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ACCAN responds to TIO 'connect.resolve' report into customer service

'Customer Service Charters won't stem the flood of consumer complaints'

Customer service charters are a dead-end and not the way to go to get a better deal for communications consumers, according to research published today by the Australian Communications Consumer Action Network (ACCAN), Australia's new watchdog for communications consumers.

Speaking on the release of the 'connect.resolve' report by the Telecommunications Industry Ombudsman, Allan Asher, ACCAN CEO said "Despite six months of intensive surveillance and working with service providers, eight out of the ten companies measured in the report showed increases in customer service complaints issues. According to Asher, the report shows that many companies have a scandalous disregard for the interests of consumers." "In one case customer service complaints issues increased by more than 60% while in three others increases of more than a third were recorded. Even if customer complaints have begun to level off, as TIO's connect.resolve program indicate, customer service problems are increasing. Complaint volumes remain unacceptably high and are an indictment of the industry and poor regulation. "

"Consumers will not get a better deal until industry Chief Executives wake up to the magnitude of their service failures and redefine their approach to service delivery. ACCAN's research clearly shows that customer service charters can't replace stronger regulatory instruments, like Codes, that can actually be enforced".

"Telcos need to get serious about improving customer service. The industry is on notice that ACCAN will strongly oppose attempts to champion Customer Service Charters instead of Code compliance programs. Service charters should not act as an alternative to other effective regulatory tools".

ACCAN undertook research into the efficacy of was undertaken after Minister Stephen Conroy gave a speech to the CommsDay Summit in March, highlighting that industry lobby group Communications Alliance was developing a draft set of Customer Service Charter Principles.

The report found that customer service charters compare unfavourably with other regulatory tools such as codes of conduct. Although codes of conduct have not been working effectively in the Australian communications sector in recent years, there are significant initiatives under way to improve the code development and approval process, and to re-invigorate code monitoring and enforcement. Those initiatives would appear to offer significantly more promise than diverting efforts to the development of service charters.

If organisations are seeking ideas for how service charters can be improved, this study has revealed a number of key lessons:

- Service charters should include basic information on the scope and application of the charter promises, including clear information on the date of application of the charter.
- Service charters are more useful to consumers where they contain a greater level of detail regarding key promises, rather than high-level aspirational promises.
- Service charters could benefit from including more promises relating to disadvantaged consumers, and coverage of issues such as translation services and disability access.

- Service charters stand out when they include promises relating to issues that *really* matter to consumers, such as competitive pricing, safety, the environment and sector-specific promises on the reliability of services.
- Service charters have the greatest impact when they include compensation or penalties for breaches of specific provisions.

The full report is available on ACCAN's website www.accan.org.au

Notes for editors

ACCAN is releasing a series of commissioned research reports. Last week we launched research into *Informed Consent*, and on September 3, Minister Stephen Conroy will be launching the *Future Consumer* report at the official opening of the ACCAN office.

The connect.resolve report was published today by the Telecommunications Industry Ombudsman and shines the spotlight on the telecommunications industry's customer service performance in the first six months of this year.

The report measures the performance of the 10 largest telecommunications companies on their customer experiences and the need to improve their consumer service practices.

While the report measures complaints, complaints issues, customer service complaints issues, complaint handling complaint issues, and combined customer service and complaint handling issues, ACCAN has focused on the category customer service complaint issues. For details on Definitions please refer to the TIO connect.resolve campaign description on the TIO website TIO.COM.au

About ACCAN

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

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