
New Telco Financial Hardship Protections: A guide for financial counsellors

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The telecommunications regulator, the Australian Communications and Media Authority (ACMA), has developed a new regulation called the Telecommunications (Financial Hardship) Industry Standard (**the FH standard**), which improves protections in the existing Telecommunications Consumer Protections Code (**TCP Code**). The FH standard is **mandatory**, meaning telcos **must comply** with it.

Key components of the Financial Hardship Standard

Financial Hardship Assistance: Communicating with Consumers

Financial hardship means that a customer can't meet their payment obligations due to the circumstances they are experiencing. Under the FH standard, these circumstances include:

- Personal or household illness.
- Unemployment.
- Low or insufficient income, including reduced access to income.
- Being a victim survivor of domestic or family violence.
- A death in the family.
- A change in the personal or family circumstances.
- A natural disaster.
- Unexpected events or unforeseen changes that have impacted the customer's income or expenditure; or
- Other reasonable causes.

To be eligible for financial hardship support the customer must consider that they can pay their bills if an arrangement for payment assistance is established. Where a customer has agreed to an arrangement for financial hardship assistance with a provider, the provider must give the customer a notice in writing within 2 business days after the customer and the provider agreed to the arrangement.

Customers can indicate to their telecommunications provider that they are in need of financial hardship support if the customer:

- Mentions that they are having difficulty paying a bill.
- Informs the provider that they wish to know about options to assist them to reduce or manage spending.
- Informs the provider that they need help paying a bill.

- Uses any language that indicates they are having financial difficulties, including any of the following, or similar, terms to describe their financial situation: money problems, difficulty, struggling, trouble, issues, problems, low income, cost of living or pressure; or
- Otherwise indicates that they are experiencing financial hardship.

If your client has noted any of the above to their telco, they must be offered payment assistance support.

Financial Hardship Assistance: Requesting information from Customers

Telcos **MUST NOT** request information from customers to show they are in a financial hardship situation:

- If the application is for short-term assistance (less than 3 months).
- If it appears that the customer may be a victim survivor of domestic or family violence; or
- That is irrelevant to the application or unreasonably onerous.

Financial Hardship Assistance: Options for Financial Assistance and Communicating Arrangements

Providers **MUST** make available options for assistance to help financial hardship customers that are:

- Realistic.
- Appropriate.
- Tailored to suit the needs of the customer.

Regardless of the other options they choose to assist customers with, providers MUST:

- Offer to temporarily postpone, extend, or defer the time for paying a bill.
- Offer payment plans which are tailored to meet a customer's ability to pay when offering financial hardship assistance.

When tailoring an option for assistance to suit the needs of a customer, **a provider must account for the customer's individual circumstances and capacity to pay, including by considering options appropriate to customers who are victim survivors of domestic or family violence.** If you feel that providers are not meeting the above requirements, you can use the FH standard to hold them accountable and advocate for better treatment for your clients.

Please see **Attachment A** for the payment assistance options that providers can offer to consumers. Providers are only obligated to offer a minimum of six of the options in this attachment which must include options (a) and (e).

Credit Management Action for clients in Financial Hardship Arrangements

Telecommunications providers must take reasonable steps to determine if the customer is in financial hardship before taking credit action. Telecommunications providers **must take all reasonable steps to keep the customer's telecommunications service connected, having regard to the essential nature of carriage services and individual circumstances of the customer.**

Telecommunications providers **MUST NOT** take credit action against a customer when:

- The customer is discussing options, or has made an application, for financial hardship assistance.
- The provider has an arrangement for financial hardship assistance on foot with the customer.

Telecommunications providers **are able to take credit management action when:**

- The customer has not met their obligations under the arrangement for financial hardship assistance.
- The provider has taken **reasonable steps** to contact the customer, or the customer has contacted the provider, to discuss options for payment before taking credit management action.
- The provider has a genuine reason to believe that the customer is unable or unwilling to pay their debts, to prevent a further increase in the debt owed by the customer.
- The customer agrees that the financial hardship arrangement is unable to be completed.
- The provider has been unable to contact the customer, despite taking **reasonable steps** to do so.

‘Reasonable steps’ in the financial hardship standard means that a provider has made at least 3 separate attempts to contact the customer, with each attempt on a separate business day, over a total period of not more than 10 calendar days, using at least 2 separate methods of communication, with at least one of those methods being in writing.

When taking credit management action against a customer, a provider **must only use suspension or disconnection of the customer’s telecommunications service as a measure of last resort.**

Unfortunately, when taking credit management action against a customer, providers can restrict the customer’s service without needing to do so as a last resort.

A provider **CANNOT** sell a debt owned by a customer:

- While the customer is discussing options, or has made an application, for financial hardship assistance with the provider.
- If the provider has an arrangement for financial hardship assistance on foot with the customer.
- If provider is reviewing the arrangement for financial hardship assistance.

Making a complaint

If you are unhappy with how a telecommunications provider has handled your client’s financial hardship assistance, you can make a complaint using the internal complaints processes of the telecommunications provider. Additionally, if you are not happy with the outcome of your complaint, you can contact the Telecommunications Industry Ombudsman (**TIO**) A link to the TIO can be found here: <https://www.tio.com.au/>. **You can let ACCAN know about any issues or trends you come across where a telco has done the wrong thing or acted unfairly. Contact us on 02 9288 4000 or at info@accan.org.au.**

Attachment A

Options for providing payment assistance

Providers are only obligated to offer a minimum of six of the options in this attachment which must include options (a) and (e). These options include:

- a) Temporarily postponing, extending, or deferring the time for paying a bill.
- b) Discounting a bill charge.
- c) Applying a credit to the customer's account.
- d) Waiving a debt.
- e) Payment plans which are tailored to meet a customer's ability to pay.
- f) Establishing an arrangement whereby the provider matches payments made by the customer or gives credit in exchange for payments made by the customer.
- g) Controls on how a customer can incur charges with the provider, including spend controls.
- h) Restrictions.
- i) Removing non-essential features of a telecommunications product at no cost.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication 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.

ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP](#)
