

Talking Back



**ACCAN Members
Speak Out About Telco
Customer Service**

ACCAN Members Survey

May 2010

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Background to the Survey

Customer service is a hot issue at the moment, and it is hardly any great surprise to consumer advocates.

Customer service is the largest unresolved problem area in the communications sector. The statistics bear out what telco consumers already know: the customer experience of getting a complaint resolved, or even a query responded to, is often an unsatisfactory one. Around a third of complaints to the Telecommunications Industry Ombudsman (TIO) are about customer service and complaint handling.¹

Following two years of out-of-control growth in consumer complaints, last year the TIO embarked on a campaign aimed at encouraging the telecommunications industry to re-focus on customers and their experiences. The *connect.resolve* campaign, which ran from January to June 2009, resulted in an overall stabilisation of complaint numbers (although at unacceptably high numbers).

The second half of 2009 saw a drop of 7% in total complaint numbers, but customer service and complaint handling issues continued to make up about a third of TIO complaints. While these types of complaints are falling at a similar rate to overall complaint numbers, there is yet to be a significant reduction in these fundamental issues.²

1. <http://www.tio.com.au/Members/connect-resolve/ConnectResolveUpdateReport.pdf>
Accessed 7 May 2010

2. Ibid.

In April, the Australian Communications and Media Authority (ACMA) announced it would be launching an inquiry into customer service in the telco industry. Shortly after, Communications Alliance commenced its review of the key self-regulatory consumer protection instrument, the Telecommunications Consumer Protection Code.

There is clearly a lot of interest in improving customer service – the question is what exactly needs to be fixed?

Whilst we know a lot about the complaint statistics and regularly see consumers venting about their experiences in online forums, we don't yet have meaningful information about what customer service issues are of the greatest concern to ACCAN members. The purpose of this survey was to engage our members directly on what is shaping up to be one of ACCAN's key work areas in the next year.



About the Survey

We do not present this research as a statistically representative quantitative sample, but rather a qualitative window into our members' experiences and opinions to help shape our policy and campaigns regarding customer service. It is important to highlight, however, that our member respondents, in answering on behalf of their organisations and members, broadly represent Australian consumers.

We posed 11 substantive questions, which asked members to tell us what their key concerns were around customer service. We asked them to identify what areas they would like improvements in, and their ideas about how customer service

can be improved. We sought additional comments for most questions, to encourage feedback and issues we hadn't already considered. Not all respondents answered all questions and we have indicated the sample size pertaining to each question.

The survey tool we used was Survey Monkey and members were given two weeks to complete the survey online.

About the Participants

All of ACCAN's 139 individual and organisational members were asked to complete the survey and there were 45 respondents in total. Of these, 23 answered on behalf of an organisation and 22 answered in their individual capacity.

Respondents had to nominate whether they were answering as a representative of an organisation or as an individual, but could not do both. This is worth noting because many organisations' representatives are also individual members, but could not be nominated as such for the purposes of this survey.

Respondents were asked to nominate which constituents they represented. This was a multiple choice answer based on broad characteristics such as rural and remote, Indigenous, people with disabilities, low income, seniors, etc, and people could nominate multiple sectors.

About this Report

This report analyses the views of ACCAN members on customer service issues. Wherever possible, we have included comments from members, to bring life to the broad range of themes that permeate the survey.

ACCAN is committed to working with our members to ensure the views we form and campaigns we pursue are aligned with member experience. So, a big thank you to ACCAN members for their participation in this project. Your feedback was invaluable and will help shape the work ACCAN does moving into the future.

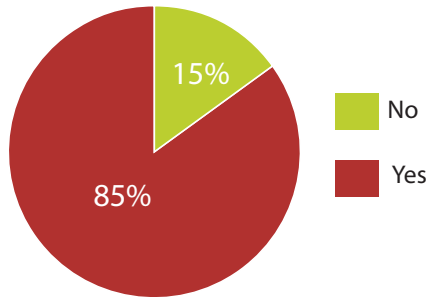
What is your general opinion of customer service in the telecommunications industry?



The first question we posed, What is your general opinion of customer service in the telecommunications industry? was designed to gauge views at the highest level. 60% of respondents indicated that telco customer service is a bit of a mixed bag and the remaining 40% consider it to be generally poor. None of the respondents answered that it was of a generally high standard, or that they didn't have an impression one way or the other.

(Sample size: 20)

Have you/your members had a problem with a product or service in the past year?



A whopping 85% of respondents indicated that they, or a member/client, had experienced a problem with a product or service in the last year. 15% answered no to this question.

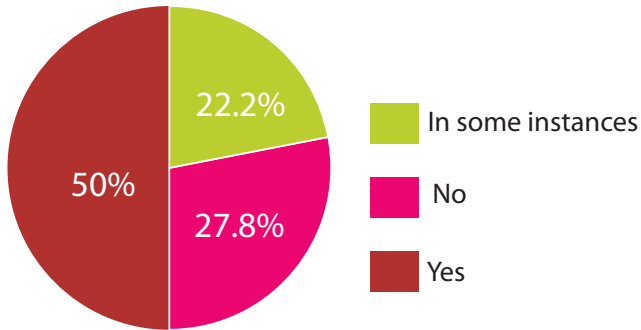
Eighteen respondents provided additional information about the nature of their complaint and the range of issues reported here was broad.

Issues included billing problems (most cited), problems switching Internet Service Provider; sales practices, debt collection issues,

not honouring customer service commitments; line quality and faults more broadly; inability to get through to customer service; being sold inappropriate products the person couldn't afford; automated systems; limited range of services for people with a disability and assistive equipment needs; equipment failure; broadband and mobile coverage; repairs of public phones; captioning and cinemas; access to hardship assistance.

(Sample size: 20)

Did you try to resolve it with the service provider or Telecommunications Industry Ombudsman?



At least half the respondents indicated that the service provider or Telecommunications Industry Ombudsman (TIO) was contacted to help resolve a dispute; with 50% stating that yes they had tried to resolve a dispute. 22.2% percent of respondents stated that in some instances they had tried to sort out their problem, and the remaining 27.8% said they didn't try at all. We asked people to provide additional information in an additional section, particularly if they hadn't tried to resolve the dispute.

In the additional comments, many noted that dealing with service provider internal dispute resolution was a difficult process:

Ultimately was resolved, but only after delays, by the Provider.

Just too difficult and involved. I'm already busy enough as it is.

Advise clients to go to TIO, but not sure if they did.

Financial counsellors would often use the TIO.

We encourage all consumers to go to the TIO and bypass Internal Dispute Resolution (because telco IDR is so hopeless).

(Sample size: 18)

Many noted that dealing with service provider internal dispute resolution was a difficult process.

What are the biggest problems with telco customer service? Please select all that apply and rank on a scale of 1 – 10


Members were asked to tell us what the biggest problems with telco customer service are, and rank them on a scale of 1 to 10, 1 being “not a problem at all”, and 10 being a “massive problem”. There was also a “not applicable” option.

The statements provided were:

- Too many options at start of a call (“press 1 for billing, 2 for sales”, etc)
- The cost of contacting customer service (e.g. when calling from a mobile)
- Problems don’t get solved
- Lack of opportunities to interact with the company in the preferred way (e.g. face to face)
- Poor accessibility of customer service for people with disabilities
- Multiple transfers to get to the right person to deal with your issue
- Wait times are too long
- Response times are too long
- Staff are rude or have an unhelpful attitude
- Being given the wrong information
- Not following through on promised action
- Getting ‘fobbed off’ when there’s a problem
- Failing to escalate to supervisor on request
- Information provided is unclear, confusing or incomplete
- Outsourcing of contact centres overseas

In developing this set of questions, we tried to describe the problems an ordinary consumer would have in dealing with customer service departments.

This was not a comparative question – respondents could choose to rank or not rank any of the items and also had the option of “not applicable”.



In many instances, answers clustered around the middle to lower range, and with few in the upper number range, which we have interpreted as meaning they are not of critical concern to our members.

The following analysis of the results is based on very high scoring (9/10) and very low (1/2/3).

Least problematic

By far the least supported statement was our contention that "Staff are rude or have an unhelpful attitude". Respondents suggested that attitude is not necessarily a problem, but elsewhere in the survey, were strongly of the view that the number of staff needed to be improved, as indicated in this additional comment:

Call centre staff have limited access to actual status information, and demonstrate lack of locally specific knowledge.

Most problematic

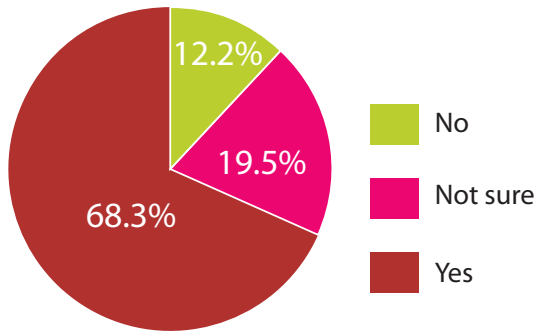
Turning now to the biggest problem areas of telco customer service, four statements attracted a significant proportion of very high ranking responses, namely:

- Multiple transfers to get to the right person to deal with your issue
- The cost of contacting customer service (e.g. when calling from a mobile)
- Poor access for people with disabilities
- Outsourcing of contact centres overseas

Very few members suggested that these issues were not a problem, or a low level problem.

(Sample size: 18)

Do you think a compensation payment for consumers affected by bad customer service would be fair?



68.3% of respondents answered yes when asked whether a compensation payment for consumers affected by bad customer service would be fair. 19.5% of respondents were not sure, and the remaining 12.2% answered no.

Thirty-seven people offered additional comment on why they did or didn't support a consumer compensation regime for bad customer service.

The vast majority of comments supported the concept of compensation, because it implicitly recognises that consumers pay for customer service as part of their contract with a provider, and that their time is valuable.

There was a widespread view that a financial obligation would result in better service:

It would provide an incentive for the business to invest in this area as well as recognising customer time and frustration.

Many companies charge an administration or service fee to cover their costs. Why can't the same apply in reverse?

It encourages better service delivery.

Consumers are being disadvantaged regarding their lost time and difficulty to switch to a better telco; also such a payment would act as an incentive for the telco to lift their game.

A financial penalty seems to me to be the only things telcos respond to.

Cause we are paying for service.

Some members were concerned that a compensation approach might be unwieldy, or inadvertently legitimise bad customer service:

No- because it only admits bad service. It would be better to improve the service, because in the end, the customer still has the problem.

The complexity of a compensation payment system I would imagine could be a nightmare to administer. What penalties does a company receive for a rude employee, or a hold up in getting an answer or over charging you? It would be better if companies offered a discount of some sort or reward to the customer if there is a problem. Like \$50 credit on a phone card.

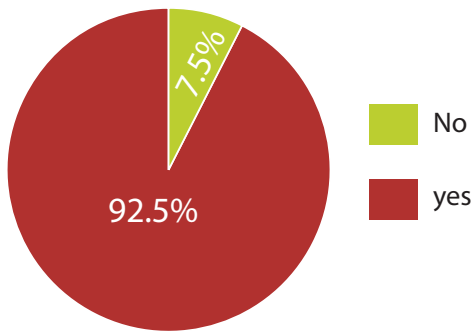
Actually it depends. Any financial loss should be reimbursed, but compensation for loss of service or other failings is likely to be minor, and unlikely to satisfy. Payment tends to legitimise poor service.

Most members are interested in getting a problem solved quickly and easily rather than being compensated. However if compensation payments prompted telcos to improve service levels then they may be useful.

Not realistic until 'unacceptable customer service' is defined.

(Sample size: 41)

Would you support a customer service standard that required telcos to publicly report against a set of performance measures? (For example: waiting on hold time, number of complaints received and resolved internally.)




An overwhelming 92.7% of respondents supported the concept of a customer service standard that required public reporting against a set of performance measures.

The remaining 7.3% answered 'maybe'. No members answered no to this question.

Twenty-seven people provided additional comments, and nearly every one urged the need for independent monitoring and verification, accountability, and transparency of any standard that was created.

But only if it was independently audited and the regulator could take action where there are serious or persistent breaches.

Without accountability there is no driver to improve.



The data would already be available internally. To be meaningful, the data would need to be externally verified.

As long as the performance indicators are expressed simply and clearly.

Better when it is public and accountable.

This would give a clear indication of the Telcos who are having problems with quality service, and if made public may assist in improving standards.

They should have some say in how to run their business and how they can do it effectively. I would hate for a 'big brother' to tell them how to do everything, without their input on the matter.

Most reporting is based on averages which are meaningless. I was once responsible for reporting. While these were "accurate" they managed to hide bad performance.

Reporting on complaints (totals and outcomes) may help.

It would be difficult to monitor veracity of data, statistical significance of data between large and small telcos could render it hard for consumers to interpret, deciding on length of reporting period could be problematic.

This mechanism would also help ensure better service and help consumers to more effectively choose which organisation they would join.

A supplementary question asked specifically what sorts of performance areas members thought a customer service standard should cover. The following issues garnered the most support:

Complaint resolution

In particular, the time taken to resolve a complaint, the proportion of first-call resolutions, and responsiveness of the service provider were cited over and over. Ultimately, members were asking for a measure of customer satisfaction for complaint handling.

On hold and wait times

Members were very clear that time spent on hold, excessive wait times and multiple referrals within an organisation need to be improved.

Reporting about external and internal complaint volumes

ACCAN members were of the view that it's not just the calls

going to the TIO that counted, it's the ones that were being resolved satisfactorily that also need to be measured.

Quality of service and repair times

Related to this were suggestions around service connection times (particularly for broadband connections). Technical support standards were also suggested.

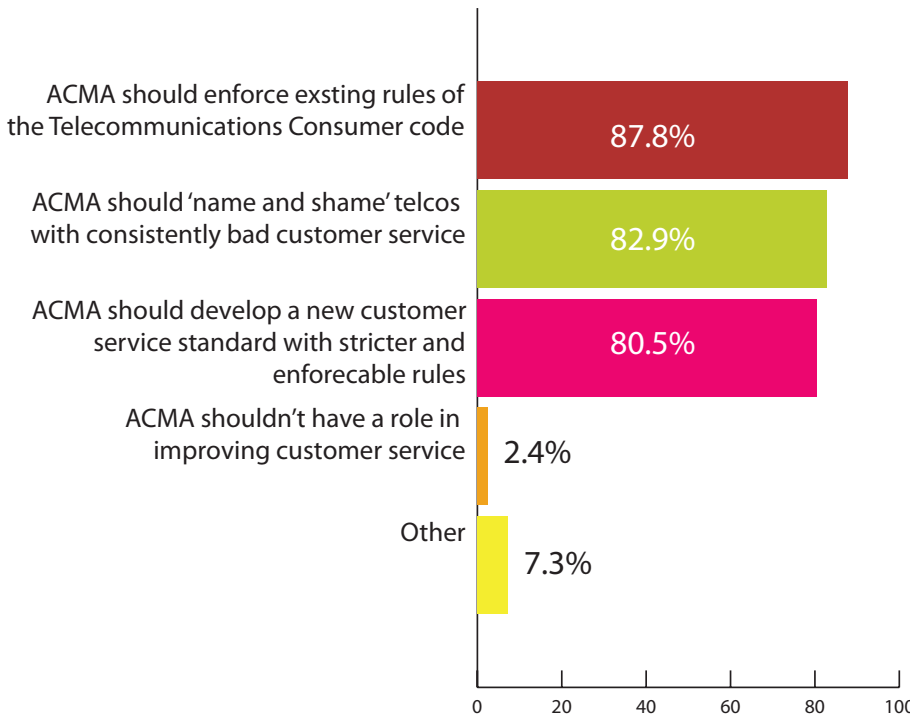
Staff communication

As was reflected elsewhere in the report, good overall communications skills and clear English language skills were identified as important to members.

High quality, correct information

Information isn't the answer to all customer service issues but nonetheless is of great importance. It was noted that it may be difficult to set reliable measures in auditing against such a benchmark. (Sample size: 41)

What role, if any, should the regulator the Australian Communications and Media Authority play in improving customer service? (Choose all that apply)



ACCAN members clearly want ACMA to be an active and engaged regulator. There was unequivocal support for ACMA to take the following actions:

- enforce existing rules of the Telecommunications Consumer Protection Code;
- 'name and shame' telcos with consistently bad customer service; and
- develop a new customer service standard with stricter and enforceable rules.

Each of these points were reinforced in additional comments provided by members throughout the survey. Only one respondent thought the ACMA shouldn't have a role in improving customer service.

Additional comments reinforced the themes of providing about transparency about bad performers and better visibility about the effectiveness and viability of self-regulation:

Self regulation has not worked from consumers' perspective. A Code enforced by the regulator is the way to go.

ACMA needs to act stronger. An investigation that takes a long time and ends with a statement like "we have investigated, they did the wrong thing but they said they won't do it again" gives the consumer no comfort at all.

Enforcement of the existing Code should precede development of a new CSS with stricter rules, and amendments to legislation as appropriate.

I'm not familiar with ACMA's current powers. I would have thought that a regulator should publish the data in a neutral fashion and leave the rest of us - particularly ACCAN - to interpret and comment on it. There are still too many codes and they are not enforced.

Whatever happens, it must be compulsory and enforceable.

(Sample size: 41)

What three changes do you think could be made to improve telco customer service?

Thirty-eight respondents offered their own ideas on how telco customer service could be improved in this open-answer question.

The diversity of responses suggests there is significant scope for service providers to make improvements that will have an impact on their customers.

Several key recommendations can be derived from the respondents, based broadly on a desire to have more responsive, consumer-centric customer service.

Investment in staffing and staff training was the most cited suggestion as a way to improve customer service.

- Improved level of staffing.
- Staff need an incentive to help, not to handle as many customers in as short a time as possible.
- Investment in staff.
- Better customer assistance services through more direct access to suitably qualified and skilled CSOs [customer service officers].
- Educate all staff including agents in face to face customer advice and service.
- Better front of house service in shops.
- Skills in customer service around cross cultural communication and particularly, working with Aboriginal people.

There is demand for clear, comparable and complete information about products and services. Consumers are asking for up-front clarity about service offering inclusions, exclusions, the benefits and disadvantages of various options. In a nutshell, the responses here could be summarised as 'less marketing, more useful information'.

Simplifying comparative information between suppliers is key - the opportunity for obfuscation is too great e.g. broadband plans, mobile plans.

Clear and "non-deceptive" advertising.

Clear and concise promotion of products or services - i.e. comparing apples and apples between telcos, not apples and oranges.

Greater understanding of the limitations of the product they are marketing e.g. service availability in remote areas, bandwidth, costs, etc.

Fairer prices in Australia and simple clear terms and conditions.

Clearer and accurate information regarding products and services - less hype.


A statement up front when a service is going to cost you extra or you incur a loss of service by what you opt for.

Easy English contracts and bills.

Greater clarity around pricing and exclusions.

More transparency in advice so client understands their choices.

Contracts, explanations etc in plain English.



Unsurprisingly, **complaint handling** was an area requiring improvement, with members asking for quick complaint resolution. The ability to speak to the same customer service person was suggested several times. Less internal transfers and a reduction in queue and wait times were repeatedly requested. The allocation of a complaint ID was suggested as a means of helping track the resolution of an issue. Internal complaint record keeping rules were marked as an area for improvement.

Being able to speak quickly with a person from the telco co. and not put on hold.

Better record keeping of individual ongoing customer complaints.

Transparency & accountability in dealing with consumers.

Complaint identification number to be given and used throughout process.

Knowledge across the range of services by the agent and not transferred from dept. to dept.

A greater emphasis on customer satisfaction and ongoing customer service, particularly after a contract has been signed, is important.

The implication here is that there is too much emphasis on getting a sale, with far less interest in looking after the customer after the sale.

Telco staff need to listen to customer issues and not be so keen to tell the customer what they situation is - as they know it.

Care of ongoing customers NOT just wanting new ones.

An external independently audited star rating system against defined customer service standards that could be used by consumers when purchasing services would be a great help in the decision making process and I think would sharpen competition amongst telcos to improve customer service standards.

Penalties and enforcement

are seen as important tools in improving customer service; compensation for bad customer service was suggested in this question too. Some also suggested better regulation and standards were part of the solution, such as a customer service standard. Benchmarks and public reporting were also nominated elsewhere in the survey responses.

Make them legally accountable for their regulatory obligations.

Significant financial penalties related to the time taken to get the problem/issue resolved.

Receiving a bill rebate if the telco has failed a certain standard.

Fines for telcos who do not abide by the codes etc.

Increase again TIO fine limitations.


Ensuring the needs of people with disabilities are met

was also identified as an unmet need. Calls for an independent disability equipment plan, online information for people with disabilities, audio loops in stores and less noise in stores were cited as potential areas of improvement.

Independent disability equipment program, because the telcos don't understand disability issues.

All retail stores should have an audio loop counter for the many hearing-impaired customers.

Clear responsibility applied to all telcos to find effective telecommunication solutions for all Australian's i.e. including those with disabilities.



Many members feel strongly that call centres should be based in Australia and that levels of English can be improved, to ensure that customer service is accessible in all senses.

The ability to speak to a person and avoid automated services was also nominated several times.

It is really difficult for people with hearing loss to understand an accent over the phone – it adds to the difficulties posed by the hearing loss, and a time delay makes it more difficult too.

Ban overseas call centres.

Answer all calls with an individual not a machine.

Return call centres to Australia.

Call centre time reduced - fewer transfers and on-holds.

Not using VoIP/poor quality transmission lines to & from the call centre.

Operators who have clear diction and English pronunciation.

Respondents indicated that **customer service was a consideration in their purchasing decisions**, and suggested they would use this ranking and performance information were it available. For example, reporting on independent measures of customer satisfaction, and naming and shaming of poor performers were seen as useful consumer empowerment tools.

Shaming for telcos who do not abide by the codes etc.

A clearly defined set of customer standards that set a good benchmark for both consumers and telcos.

Name and shame for positive feedback loop.

Someone holding telcos accountable.

Credit management issues featured in responses to this question; better preventative measures for bill shock, and improved financial hardship policies (and access to them) were also nominated as key issues.

More responsive hardship policies - too much is having to be referred to the TIO.

Pre-emptive action to prevent bill-shock (e.g. warnings).

And finally, **other general suggestions** to improve customer service included

Advice about best product e.g. if your bill has gone up dramatically for some reason, contact the customer and advise them of a better plan.

Constant media attention.

Improved communications with alternatives to phone contact: such as fax or email.

Put all the telecoms infrastructure into the National Broadband Network.

Additional Comments

We offered members the opportunity to raise any other customer service issues. Detailed below are issues that weren't covered elsewhere in the survey responses.

Not happy about charging for paper copy of bills - I do research with seniors - only 18% of Australians over 65 access the Internet (ABS census 2006) and they can least afford it.

Complexity of products and services and rates is a key source of confusion.

Marketing strategies often lead people into contracts without them understanding that they are 'signing' a contract (especially if over the phone) or what the product is that they are purchasing.

People who are obviously on low income and from disadvantaged backgrounds (e.g. does not speak English well, income is from Centrelink) are being sold multiple products e.g. multiple mobile phone contracts or products, that might not be suitable for their use.

Telcos (and banks too) use privacy legislation to hide behind to avoid resolving issues. I have many examples but one, my daughter living in a shared house, could not get Optus to fix internet access because she was not the account holder.

It appears to me that dispute resolution both internal and external are dealt with by units which carry the cost. Those costs should be reimposed internally on those business units which generate the complaints.

Products that are 'disability

friendly' are not always on display – i.e. landline handsets and mobile phones that are helpful for people with a hearing loss and who wear hearing-aids/ cochlear implants. Retail staff should know more about these products that assist people with disabilities.

I am often so scared to hang up as if it is not fixed you have to go through the whole process again.

More info and assistance with how to reduce bills if needed and clearer understanding of the cost of 19 (premium) calls.

In general members are unhappy with customer service relations and constant line faults.

“Unfair contracts are virtually universal in all telcos. Every family I talk to has had a shock bill into the hundreds or thousands or has known someone who has. Most just accept the bill and pay it!”

Privacy issues are ever-present.

Telcos should be forced under the law to clarify and improve services.

Priority Areas for Reform

In early May, ACCAN was approached by Communications Alliance and asked to identify the highest priority issues to be considered as part of the Telecommunications Consumer Protection Code (TCPC) review.

We used this survey to ask our members which areas were in most urgent need of review. The five broad areas we asked them to rank in order of priority correspond generally to five of the six chapters of the TCPC (with the exception of Customer Transfer chapter), namely:

- Improving information about the prices, terms and conditions of telco products and services;
- Credit management issues (e.g. preventing 'bill shock', financial hardship);
- Billing issues (e.g. clarity of summary bills, fees/charges for hard copy bills);
- Contract issues (e.g. fair use policies, bundling problems);

- Customer service and complaint handling problems (e.g. not getting problems solved quickly, not following through with action promised).

Forty-one people responded to this question. The survey tool we used allowed respondents to rank items as number 1 more than once. A number of respondents ranked multiple items as 1 (the most important). As a result, the rankings aren't valid and we can't draw any definitive conclusions from these responses.

Despite the inaccuracy of the rankings, it is worthwhile noting that customer service and complaint handling issues, as well as the need for improved information about prices terms and conditions, ranked very highly.

Fifteen people provided additional comments, and the key message was that all these areas were important and that it was extremely difficult to say one area was more important than another

– particularly because of the interdependencies and flow on effects of problem areas.

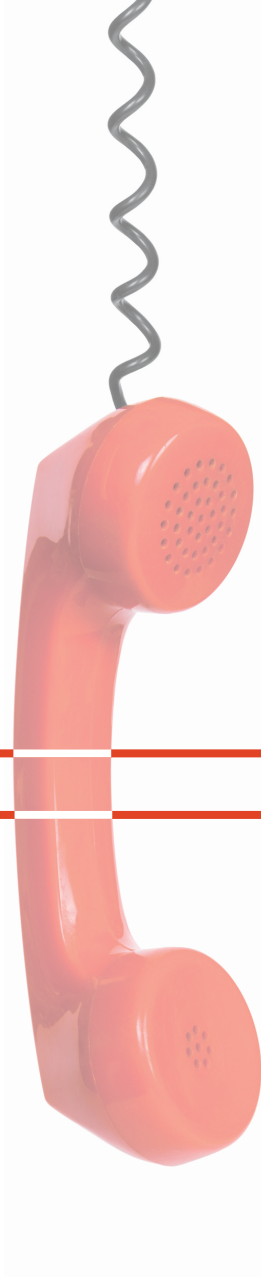
One respondent captured this in a nutshell:

- In an ideal world, if prices terms and conditions were clearer, and as part of this, contracts were fairer, then as part of this, Bills would need to be more understandable. This would mean that bill shock would automatically be minimised. However because some people would continue to make poor decisions, then credit management would remain an issue needing to be addressed. If the priorities 1-4 are addressed then the customer service and complaint handling could be a category of reduced importance.

Another key message that came out was the need for fairness:

“All are important, unfair contracts even if well explained (which they usually aren’t) are still unfair.”

- Information is not the answer - enforcement of 'fair' practices is essential.



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