



Standing Advisory Committee Consumer Affairs Meeting Report

Tuesday 30th October 2012 10.00am – 4.00 pm

Members present: Jo Benvenuti – Consumer Utilities Advocacy Centre
Ian Butterworth – Telecommunications Consumer Group, SA
Andrew Crouch – Centre for Appropriate Technology
Rachael Milfull – Financial Counselling Australia
Karin Ness – Northern Rivers Community Legal Centre
Johanna Plante – Chair, ACCAN Board
John Wood

The Chair welcomed members to the meeting and acknowledged the traditional owners of the land.

Charges to receive paper bills

A number of telcos are charging customers to receive itemised bills by post. Fees may also be charged for paying bills by certain methods, such as at the post office. The Committee stressed that it is essential that correct point of sale information is available about any additional pay-to-pay fees. ACCAN last reviewed these fees in 2010 and agreed to research what fees apply and when.

Data downloads and bill shock

The Committee raised concerns about the growing trend of people purchasing smartphones who are unaware that data is downloading even if they are not actively searching the internet or checking their email. Recent TIO statistics show that complaints about unexpectedly high bills have doubled and a lot of these high costs are due to excess data usage. The Committee discussed how information about default settings should be provided to consumers in an easy and understandable way at the point of sale. The Committee raised concerns about consumers who did not have the skills to make effective complaints and reduce unexpectedly high bills.

Telemarketing

The Committee discussed reports of an off-shore company that calls households and offers a discount off a Telstra bill. The company claims that it 'shares' the line with Telstra but this is misleading as it is a different company. The Committee also discussed a telemarketing case where a phone contract had expired, the company called and asked the customer if they would like to renew their phone plan but the customer did not realise they were signing up to a new fixed-term contract. The Committee agreed that this was another example where better point of sale information was needed.

Insurance and handset-loss

Financial counsellors are seeing many cases where someone loses a mobile handset but is locked in to paying a contract. Insurance usually only covers breakage and not loss. The Committee again stressed the importance of point of sale information about these issues. The Committee also discussed how low literacy could prevent consumers realising what they are signing up to when purchasing a mobile phone plan.

Late fees

Penalty fees should bear a reasonable relationship to the cost incurred to the telco in dealing with the late payment. The Committee compared late and dishonour fees charged by telcos and considered what made a fee “reasonable”. The Committee discussed what action ACCAN could take and considered if the focus should be on lowering the cost of fees or encouraging telcos to waive fees in cases of hardship.

Outcomes of the Regional Review

The Committee expressed disappointment at the brief response from the Government to the Regional Review and recommended that ACCAN request progress updates on Government implementation or consideration of key recommendations. The Committee also discussed take-up and availability of the NBN Interim Satellite Service.

Competition in regional and rural issues

The Committee discussed the lack of competitive mobile phone plans available in regional and rural areas. The Committee considered how Indigenous consumers can live in remote areas with no mobile coverage but may be prevented from connecting a landline service due to past debt. Further information is needed about the extent of this issue.

Hardship

The UN Consumer Protection Guidelines will be reviewed in 2013; the Committee recommended that ACCAN consider whether communications services could be classified as an essential product in the Guidelines. Australia has not reported on compliance with the Guidelines since 1999 and a review is needed.

The Committee discussed in-contact home phone products, where customers can receive calls but can only call 000. Members agreed that the structure of in-contact products need to be reviewed as people with mobile phones may not be eligible for a service. The Committee wanted to know why consumers could not make 1800 calls on an in-contact service. The Committee also discussed the application of the Credit Code. If telco products were to be considered under the Credit Code this could prevent cases where people are signed up to products they cannot afford.

Telephone Numbering: Future Directions

Representatives from the ACMA joined the meeting by teleconference to provide a briefing on the ACMA decisions on numbering reform. The Committee raised questions about geographic number flexibility, the change to the “05” number range, and the plan to remove information from the Numbering Plan into industry codes and guidelines.

Briefings

Members were provided with briefings on:

- Upcoming ACCAN research projects
- Policy and campaigns work
- The Audio Description campaign
- The ACCAN members’ survey