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Direct Debit a problem for vulnerable consumers

Recent research conducted by the Australian Communications Consumer Action Network (ACCAN) has found that direct debit is a problem for some consumers, particularly for those who are living week to week.

A thriving and competitive communications market is characterised by a variety of free payment options that reflect consumer preferences for payment. However, some payment options may place unfair financial risk on consumers.

“While it’s fair to say that many consumers are OK with direct debit, this is not the case for some of our most vulnerable. First Nations consumers, people from Culturally and Linguistically Diverse backgrounds, people with disability and those in precarious employment are the most severely impacted,” said ACCAN’s CEO, Andrew Williams.

The research highlighted that not having the flexibility to choose when to pay a bill and not having the available funds when the bill is due imposes unfair costs on the most vulnerable telco consumers.

“It’s clear that consumers want options that meet their needs. This includes payment options that don’t impose additional financial costs on them simply for using them. They want bill payments to be simple and convenient and they want control over when and how bill payments are made,” said Mr. Williams.

"We want the telcos to offer consumers a choice of payment methods from the outset and not nominate direct debit as a default option for consumers. They should also offer multiple free methods of bill payment in addition to direct debit. ” said Mr. Williams.

The full report on [Direct Debit in Telecommunications](https://accan.org.au/accans-work/research/2121-direct-debit-in-telecommunications) can be read on the ACCAN website

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.