

Talking points – ACMA position paper – telco consumer safeguards

- Our position paper shows telcos are failing consumers in their selling, disconnections and billing practices and their treatment of vulnerable customers, including those experiencing financial hardship.
- We have been concerned for some time that the co-regulatory code is not delivering the consumer protections expected of an essential service like telecommunications.
- The consumer protection code is going through an industry review that will be completed by the end of 2024. We need to see the telcos lift their game a lot sooner than that.
- We welcome today's announcement from the Minister for Communications that she will direct the ACMA to establish direct protections for telco consumers experiencing financial hardship.
- This will give us greater ability to help protect consumers who are finding things tough and to make sure telco companies are following the rules.
- We expect the industry to show significant improvement in other issues we have raised in our paper, otherwise we will look to also have these protections moved into direct regulation.
- This is not news to the industry. We have been pursuing improvements in the sector for more than a year, setting out our statement of expectations in May last year.
- The ACMA is not alone in having concerns about telco consumer issues. The TIO, ACCC and consumer groups have been calling for action for some time.
- The co-regulatory frame gives the industry the chance to step up and address consumer concerns.

Background

- Over the last 18 months we have been working to identify issues that we regard as important to address for consumers:
 - Our May 2022 statement of expectations for consumers in vulnerable circumstances
 - Our May 2023 Financial Hardship Report and associated research highlighted many areas of concern
 - I raised this again in my speech at CommsDay
 - Now we have released a position paper which sets out clearly areas of concern we have concerning the TCP Code and broader consumer framework

What did we find?

- The key areas of concern we identified relate to selling practices, credit assessments, payment methods, disconnection processes, financial hardship assistance and the treatment of consumers in vulnerable circumstances (including domestic and family violence)

What are we expecting of industry?

- Industry needs to get on board. While we appreciate industry are undertaking a review into the TCP Code, we consider that improvements in these areas cannot wait until the completion of the review at the end of 2024.
- Cost of living pressures are real for consumers and our research has found a number are in financial hardship.
- We have asked industry to provide us with the changes it will make to the TCP Code which addresses our concerns by 15 December. If not, we intend to move to direct regulation in early 2024.

Current arrangements

- Whether in co-regulation or direct regulation should make no difference to the effort made by the telco industry in meeting them.
- Equally important is the need to revisit existing interventions from time to time to ask whether they remain appropriate in the current environment and how protections can be assured in the future.
- Telcos should already be doing what we are asking. If they are incurring new costs in implementing this tells us that they have not been adhering with the obligations under the TCP Code.

Stakeholders

- This should not be a surprise to industry. The TIO, ACCC and consumer groups such as ACCAN have been calling for action on the same issues so some time and as part of the TCP Code review have all made submissions asking for direct regulation on the matters raised in our position paper.

Q&As – Release of *What consumers want – Consumer expectations for telecommunications safeguards* position paper

Why did the Minister direct the ACMA to make a standard?

On 23 March 2023, the Minister held a Consumer Roundtable with key stakeholders about the TCP Code.

On 2 May 2023, we released our *Financial hardship in the telco sector: Keeping the customer connected* report. The report clearly demonstrated that a range of rules currently outlined in the TCP Code are not working to effectively protect consumers experiencing financial hardship – especially those in vulnerable circumstances.

While it is a question for the Minister to answer, stakeholders and our research are telling us the same thing. The specific financial hardship protections in the Code are not operating to prevent harm.

Given the current cost of living pressures many Australians are facing, it's important we have clear and enforceable rules so telcos give appropriate support to consumers doing it tough.

Why is the ACMA releasing a position paper now?

Today we have released a position paper *What consumers want – Consumer expectations for telecommunications safeguards* which highlights our concerns in the shortfall in consumer protections being delivered under industry's Telecommunications Consumer Protections (TCP) Code.

The ACMA has been concerned for some time that the current co-regulatory code is not delivering the level of consumer safeguards expected of an essential service.

Our position paper shows that telcos are falling short of what customers want in key areas such as selling practices, credit assessments, payment methods, disconnection processes, financial hardship assistance and the treatment of

consumers in vulnerable circumstances, including those experiencing domestic and family violence.

These are not new issues and we expect industry to make the necessary improvements to better protect their customers.

Why are we telling industry what they should do in the TCP Code review?

Previous TCP Code review processes have been protracted. We wanted at the outset to make clear to industry the areas where we find the deficient and which need improvement to provide safeguards for consumers.

The issues of concern that we have identified have been raised over some years with industry and we do not consider the TCP Code is currently providing protections at the level consumers expect from industry.

We consider that improvements cannot wait until the proposed TCP Code review completion timing of end 2024.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

