

Redfern Legal Centre



10 September, 2010

Manager, Public Inquiry Section
Australian Communications and Media Authority
PO Box 13112, Law Courts,
Melbourne Victoria 8010
Via email: reconnectingthecustomer@acma.gov.au

Dear Madam/Sir,

Reconnecting the Customer inquiry

Thank you for the opportunity to respond to the *Reconnecting the Customer Inquiry* conducted by the Australian Communication and Media Authority (ACMA). For too long customer service in the telecommunications industry has been problematic and consumers are tired of the detriment it has caused financially and personally.

RLC is an independent, non-profit community legal centre dedicated to promoting social justice and human rights. To this end, RLC offers free legal advice, referral and casework to many disadvantaged people in our society. A substantial part of our practice concerns advising clients with regard to credit and debt matters.

Utility debts have always been a significant proportion of the matters presenting to the Centre. Since the introduction of competition in the telecommunication industry and the proliferation of products in the marketplace, a new range of problems has emerged regarding the ability of clients to understand the nature (including capacity and risks) of the products they are purchasing, the extent of their obligations under their contracts, the terms of their contracts and the unfair practices in which telecommunication service providers engage in the marketing of those products.

Case study

The following case study provides some illustration of the experience of our clients. The study is a case resolved with the assistance of the Telecommunications Industry Ombudsman ("TIO"). The fact that this type of problem occurred at all is of concern in itself. It is even more troubling that it took a referral to the Ombudsman to resolve it, rather than the provider addressing it internally once notified of the complaint. The names of the parties and some details have been withheld to protect privacy.

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General enquiries: Monday to Thursday 9am – 9pm, Friday 9am – 6pm

Interviews by appointment: Monday to Thursday 6.30pm – 8pm

Redfern Legal Centre's client is aged in her 70s and she receives an age pension. Her native language is Greek, she speaks very little English and she would require the assistance of an interpreter to understand the terms of a written contract. Her son convinced her to sign a 24-month mobile phone contract. The phone was for his use. He is abusive and she has an AVO against him.

She was subsequently contacted by a telemarketer, from another phone company and without knowing the implications, agreed to an arrangement with them. She did not understand the terms of that product or contract either and the promised incentives failed to materialise. Our client was unsuccessful in trying to cancel this transfer within the cooling off period and was subsequently hit with an early termination fee from the first provider for over \$1000.

She was aggressively pursued by the first provider, which caused great stress and anxiety. At all times, our client was at a distinct disadvantage in the negotiations. She was not dealt with appropriately when she tried to then negotiate a resolution to the matter.

Submission

As a member of the Australian Communications Consumer Action Network's (ACCAN), Redfern Legal Centre writes in support of ACCAN's recommendations to this consultation. Redfern Legal Centre encourages the ACMA to actively pursue the following recommendations, as highlighted in ACCAN's submission to the inquiry.

1. Implement new mandatory **Consumer Protection Standards** developed and enforced by the regulator for critical customer service issues such as internal dispute resolution, external dispute resolution, credit management and financial hardship.
2. Develop a **performance-reporting framework** to report publicly on the extent to which retailers meet the customer service objectives and the effectiveness of their activities.
3. Improve industry code processes through **stricter rules on code registration** requirements including compliance, material improvement in consumer protection and consumer engagement.
4. Enshrine the principle of **treating consumers fairly** in the consumer protection framework.
5. Expand **compensation payments to consumers** for breaches of industry codes and standards, for example failing to action a complaint.
6. Ensure the responsible regulator has the right **enforcement tools** to promptly and effectively respond to breaches of laws, codes and standards.

Summary

The telecommunications industry is too important to be failing consumers. We need accessible, affordable and available communications services that meet consumer expectations.

In a society, in which information is the key to participation in that society and people are assumed to be no further from information than a phone call or internet connection, it is worrying that so

many of our clients are “disconnected” because of the failures in the marketplace. This goes beyond mere fair-trading; it involves considerations about whether our citizens can achieve their economic, social, cultural, civil and political rights.

Yours sincerely

REDFERN LEGAL CENTRE

Elizabeth Morley
Principal Solicitor