

Telecommunications complaints in context

TIO new complaints as a proportion of telecommunications services in operation (SIOs).

Message from **Simon Cohen**,
Telecommunications Industry Ombudsman

The TIO is pleased to publish, with Communications Alliance and five of Australia's most substantial telecommunications providers, this first *Complaints in Context* report. We are publishing the number of new TIO complaints as a proportion of telecommunication services in operation for the first time. Providing a context for TIO complaints is important, ensuring complaints are seen relative to a telco's customer base. This context makes the performance of service providers and the telecommunications industry more transparent.

An important aspect of this information is the ability to track trends over time. We will, therefore, publish this information each quarter. And we are hopeful that other substantial telcos will sign up to the initiative.

This report is the result of work started almost 18 months ago. It is a sign of the telecommunication industry's maturity that service providers have willingly signed up to this additional accountability. I congratulate those taking this step.

Message from **John Stanton**
CEO Communications Alliance

The attached report provides, for the first time, a way to compare the relative frequency of complaints to the TIO among some of the major Australian service providers, expressed as the number of TIO complaints per 10,000 services in operation (SIOs).

This is not an overall measure of relative customer service performance. No single metric could hope to fully capture the complexities involved in the provision and support of today's telecommunications products and services, nor the many individual factors that can bear upon the volume of complaints to the TIO.

Nonetheless, the program offers one indicator as to how the business decisions, customer service and complaint handling of individual service providers are translating into complaint volumes. The program will continue to map trends over time.

The service providers in this first report have volunteered to participate – and should be applauded for doing so. We aim to expand the number of participants over time. The program is part of a commitment that industry made during the development of the *Telecommunications Consumer Protections (TCP) Code 2012*, to develop a set of metrics to illuminate industry performance.

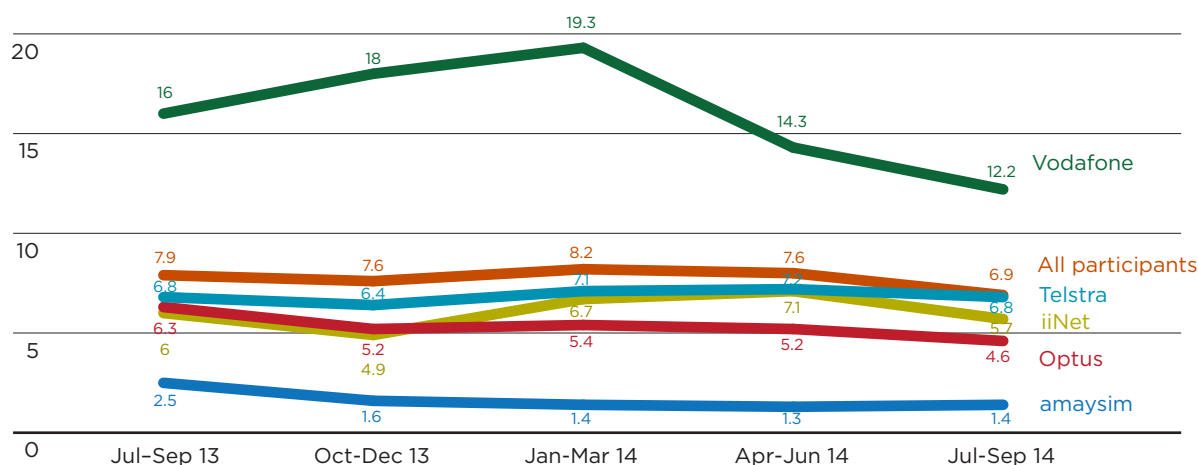
Summary table

| Provider | New complaints per 10,000 services in operation | | | | |
|-------------------|---|--------------|--------------|--------------|--------------|
| | Jul-Sep 2013 | Oct-Dec 2013 | Jan-Mar 2014 | Apr-Jun 2014 | Jul-Sep 2014 |
| amaysim | 2.5 | 1.6 | 1.4 | 1.3 | 1.4 |
| iiNet | 6 | 4.9 | 6.7 | 7.1 | 5.7 |
| Optus | 6.3 | 5.2 | 5.4 | 5.2 | 4.6 |
| Telstra | 6.8 | 6.4 | 7.1 | 7.2 | 6.8 |
| Vodafone | 16 | 18 | 19.3 | 14.3 | 12.2 |
| All participants* | 7.9 | 7.6 | 8.2 | 7.6 | 6.9 |

*Calculated by dividing participants' total TIO new complaints by participants' total SIOs

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New complaints per 10,000 services in operation



TIO comment

In this first edition of the *Complaints in Context* report, seasonal trends are clearly observed in the results.

For most of the participant providers, complaints per 10,000 SIOs dropped during the October to December quarter, before increasing during the January to March quarter. This is consistent with the TIO's industry-wide complaint trends.

It is positive to note the reduction in participants' average new complaints per 10,000 SIOs, from 7.9 per 10,000 SIOs in Q1 2013/14 to 6.9 per 10,000 SIOs during the same quarter for 2014/15. This is encouraging because the reduction has occurred in an environment where the number of active services across the participant providers has increased over the same period.

Explanatory notes

The services in operation (SIO) data:

- was taken at the end of the second month of the quarter
- excludes inactive, suspended and cancelled services (noting that each service provider may have different definitions of these)
- includes small business customers covered by the TCP Code but excludes all other business customers (i.e. large business customers)
- is reported at either Group or CSP Level (noting that each service provider may have a different preference)
- excludes wholesale services, and
- is calculated at service level rather than at account level.

TIO new complaints data:

- comprises complaints from residential and small business customers
- consists of complaints about landline, mobile and internet services, and
- accounts for de-registered and reclassified complaints

Industry comment

Complaints per 10,000 services in operation (SIOs) fell during the five quarters

Contextualised complaints, averaged across the participant group, fell from 7.9 per 10,000 SIOs to 6.9 per 10,000 SIOs.

Industry remains committed to delivering customer experience

All the service providers in the participant group have implemented initiatives to improve customer service during the past 15 months. This report provides one tool to evaluate this progress.

Overall performance improved across the five quarters, with significant gains in July-September 2014. This coincided with new complaints to the TIO (industry-wide) hitting a seven-year low. Other factors have had an upward impact for particular providers in relation to some services. Conversely, one factor that may reduce complaints for some service providers is that they may choose to resolve a complaint early through the application of credits, rather than incurring TIO charges for independent review of the complaint.

We will evaluate the value and effectiveness of the contextualised data reporting during the coming 12 months before deciding whether to recommend that the program be refined in any way.