



25th November 2011

Mr John Stanton
Communications Alliance
Level 9, Walker Street

North Sydney NSW

Your ref:

Dear Mr. Stanton,

VHA applauds the Communications Alliance and industry representatives for the work achieved in developing the revised Telecommunications Consumer Protections Industry Code C628 (the Code), and providing important additional consumer protections.

We recognise that VHA and the telecommunications industry as a whole needs to improve overall customer service. This need has to be considered in light of the complexity of the highly transactional nature of telecommunications services and that some customers find it challenging to understand what they are purchasing and how to use the service.

VHA is supportive of the Code and believes in the empowerment of the consumer. Indeed our motto: 'power to you' conveys this philosophy within VHA and to our customers.

VHA has specific comments on the Code as follows:

General

VHA has concern that the proposed 'Commencement date' will not give the industry enough time to effectively deliver on the commitments proposed by the Code. There seems an assumption that Suppliers can immediately implement the required changes. In fact most suppliers have a pre-planned commitment of activities. To add new requirements typically means that a new product or service providing customer benefits may need to be deferred.

VHA would suggest a longer duration for implementation, or an alternative approach as below:

- 4.1.2 to allow for a Summary of Offer for only new future products within 6 months of registration of the Code, or to allow 12 months to include all current and future offers;



- 5.3.2 (m) requiring the total amount of the bill to include the two previous billing periods should allow 12 months for implementation.
- 6.6.1 (d) spend alerts require significant changes to billing systems. It would be preferable to either limit the obligation to new products so that this functionality can be developed as part of the product release, or allow a longer lead time for development. VHA would suggest that smaller Telco's be consulted about a practical implementation timeframe.

Definitions

Complaint – VHA supports the need to better define what customer contacts should be regarded as a complaint. To achieve this, the definition requires change to better reflect the intent. This can be achieved by swapping the order of the second and third sentence, to read:

means an expression of dissatisfaction made to a Supplier in relation to its Telecommunications Products or the complaints handling process itself, where a response or Resolution is explicitly or implicitly expected by the Consumer.
An initial call to a provider to request a service or information or to request support is not necessarily a complaint. However, if a Customer advises that they want this initial call treated as a Complaint, the Supplier will also treat this initial call as a Complaint. An initial call to report a fault or service difficulty is not a complaint.
If a Supplier is uncertain, a Supplier may ask a Customer if they wish to make a Complaint and may rely on the customer's response.

Customer – the definition is not clear in its intent in relation to those Consumers who were in a contractual relationship with the Supplier and where that contract no longer applies. This has the result that in a number of situations such as complaints handling (4.6) billing (Chapter 5) and credit management (Chapter 6) collections activity a former customer appears to have no rights under the Code.

In order that the Code captures an obligation to include former Customers, but to avoid that obligation going on ad-indefinitum, VHA suggest that the definition be modified to:

means a Consumer who has entered into a Customer contract with a Supplier, or a former Customer of that Supplier in the last six months.

Chapter 3 General Rules

VHA supports the use of everyday language and providing clarity about inclusions in offers. VHA notes that the use of the concept of 'easy to understand language' needs to be used consistently throughout the Code.

3.1 Plain language

3.1.1 A Supplier must communicate with Consumers in simple, plain language.



Communications Alliance might consider the use of Easy English http://jobaccess.gov.au/Advice/ProductOrSolutionOne/Pages/Easy_English_products.aspx

VHA encourages Communications Alliance to review obligations under clauses 3.5 and 4.3.3 and apply these expected behaviours to all of a Suppliers Consumer facing staff under one clause (3.5).

Section 4 Consumer, Sales, Service and Contracts

4.1.1 Communication of Offer

VHA agrees the need for a Summary of Offer (or Critical Information Statement). VHA's website shows many of the attributes required in a Summary of Offer and VHA believes that this approach provides the best solution for consumers to better understand what they are signing up to (regardless of the plans name).

VHA put forward the idea to industry of having a common set of headings to enable consumers to readily compare offers. However, it is important that the Summary of Offer has flexibility to cater for both current in market services and those that will come in future.

VHA recommends that rather than having a set template in the Code there may be some value in having a set of example templates for different types of service offerings, for example, for post paid mobile services, fixed network services (home phone), broadband services, etc. in an associated Guideline to the Code. This would allow time to develop such templates and allow them to be modified and added to more readily than an approach of including them within the body of the Code.

VHA highlights that the use of unit pricing in advertising and the Summary of Offer, while giving some guidance to consumers on cost is not really helpful for comparison purposes as the rate will have many variables such as:

- whether it provides on net calls and any limitations on those calls;
- if a flagfall applies, and where it does the cost of that flagfall; and
- the time duration for billing e.g. per second or per x seconds.

If these variables are not understood by the consumer and they take the advertised unit pricing at face value they are likely to be misled in their choice of service and a particular product may well end up being inappropriate for their particular needs. Consumers should not rely on the unit pricing as primary unit of measure to make choice of a supplier. For example, a consumer that makes many:

- short duration calls off net would likely need a plan with a low or nil flagfall rate and higher per minute rate;
- many long duration calls would likely need a plan where the flagfall was higher but the per minute rate thereafter was lower;



- on-net calls may find it better to choose a supplier that offered low or no cost on net calls, even where off net calls are at a higher rate;
- calls overseas may find the cost of overseas calls of greater significance than calls within Australia

The simplistic approach that endeavours to implement the supermarket based unit pricing does not well suit telecommunications services and VHA believes will be ineffective. It could mean that customers will be misled and this will in turn increase volumes of complaints.

Good advertising draws attention to a product and consumers should then access the Summary of Offer data online or in store to better understand the product and its costs. Overly complex advertising obligations are unhelpful in drawing customers attention to an offer in a simple way and will require many potentially confusing disclaimers.

VHA notes that 4.1.2 (a) (iii) and 4.2.1.1 (v) both require compliance to a similar requirement and it would be helpful from a compliance point of view if these could be associated with each other in some way, even if only referenced within each clause.

4.6 Customer Service

VHA notes that 'Customer' as defined seems to preclude a former customer being considered a 'Customer' and therefore have no rights under the Code. This was not the intent of the Code and is inconsistent with use of the defined term 'Consumer' in the Complaints Handling chapter of the Code. See also VHA's suggested change to the definition of Customer.

Chapter 5 - Billing

VHA believes the billing chapter is an improvement for customers.

VHA only has one comment, in relation to clause 5.2.1 in the Billing obligations, that each current Bill should be provided free of charge.

Under 5.2.1 Providing Bills: VHA suggests adding the highlighted text below:

A Supplier must supply a Bill to a Customer **free of charge** for each **current** Billing Period, except in the following circumstances:

Note: The text under (a) and (b) remains unchanged.

Chapter 6 Credit management

VHA provides its customers with spend management tools but is concerned with what has been a moving target in obligations under 6.6.1.



VHA agrees with notifications at 50%, 80% and 100% for both data and voice use. VHA notes that 12 months to implement the new notification obligations under 6.6.1 may prove difficult to implement for all old plans, it is not usual practice to apply retrospective rules, and VHA believes that the exceptions provided in 6.6.1 (d) are too limiting. A preferred approach would be to change the Code clause to (refer highlighted text):

for Residential Customers, where offering a post-paid mobile or internet plan with an included data allowance and in circumstances where there is no facility in place to stop a Customer exceeding their included value, such as:

- o shaping;
- o throttling;
- o access to additional capacity;
- o a Hard Cap, or
- o an equivalent capability.

provide Residential Customers with a notification once a Residential Customer has used:

[Following text remains unchanged per the Public Comment Version of the Code.]

And the obligation should only apply to new plans as they come into market.

For some customers the pre-defined notifications may not meet all Customer needs and its important for the alerts to suit the Customers needs and be based upon the timeliness of the alerts, for example, an alert at 95% is unlikely to be helpful to a Customer who uses a lot of data and who has a Supplier with a lengthy delay in being able to provide alerts. Whereas a customer who uses little data and has a Supplier who provides near real time alerts may find the 50% alert superfluous. VHA believes that the Public Comment version of the Code gets this balance right.

In addition, VHA believes that it is unhelpful to simply provide notifications of usage. Importantly most Customers will expect to be able to continue to use their service once they have reached the limit of their included value and it would be useful for the Code to recommend that remedial action take place, such as providing top up data packs to allow Customers to avoid 'bill shock' once they reach the limit of their included value.

Chapter 8 Complaint Handling

VHA believes that the complaints handling process proposed by the new TCP provides significantly more clarity for suppliers to manage customer complaints.



8.2.1 (viii) VHA believes that the obligation to provide written conformation should be reworded as follows (change highlighted):

for Urgent Complaints setting into motion the Resolution process within 2 Working Days after the date the Complaint is received, and, where requested by the Consumer, provide written confirmation of the envisaged Resolution within 2 Working Days;

VHA notes the inconsistent use of 'Customer' in 8.2.1 (ix) and (xv) (d). This requires adjustment.

Chapter 9 Code Compliance and monitoring

VHA supports a strong compliance regime and supports the need for suppliers to have assistance to understand their compliance obligations. We support the need for a body to which suppliers can refer for assistance with compliance

However, we do think there needs to be greater clarity about the roles and responsibilities of Communications Compliance and the ACMA Further discussions should be undertaken with the ACMA in this regard.

Please feel free to contact me for further information, or clarification of any of the included information

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A.R. Osborne'.

Alexander R. Osborne
Head of Regulatory Compliance & Industry Standards
+61 (0)425 232 539
alexander.osborne@vodafone.com.au