



Submission – Telecommunications Consumer Protections Code Review 2018

Financial Counselling Australia (FCA)
is the peak body for financial counsellors in Australia.

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About Financial Counselling

Financial counsellors assist people experiencing financial difficulty. Working in community organisations, they provide advice to help people deal with their immediate financial situation and minimise the risk of future financial problems. Their services are free, confidential and independent.

Financial counsellors need an in-depth knowledge of credit law, bankruptcy law, debt collection law and practices, industry hardship processes and government concession frameworks.

Financial Counselling Australia

FCA is the peak body for financial counsellors in Australia. FCA's member groups are the State and Territory financial counselling associations. FCA provides a voice for the financial counselling profession and advocates for a fairer marketplace for the clients of financial counsellors.

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About the Case Studies

The case studies in this submission came from financial counsellors around Australia. All names have been changed.

1 GENERAL COMMENTS

Financial Counselling Australia (FCA) welcomes the review of the Telecommunications Consumer Protections Code (the “TCP Code”). We strongly support improvements to the TCP Code to drive improved conduct by telecommunications providers (“telcos”).

Financial counsellors assist people with issues regarding telecommunications. Examples include:

- Providing advice on telecommunications issues, such as misleading or unconscionable sales practices
- Representing people in financial hardship and negotiating repayment arrangements
- Representing people in telecommunications disputes (including running disputes in the Telecommunications Industry Ombudsman (“TIO”))

Financial counsellors see many people experiencing financial difficulty. The clients of financial counsellors come from a range of backgrounds and include people:

- on low incomes (Centrelink and casual work);
- with a disability;
- of non-English speaking backgrounds; and
- Aboriginal and Torres Strait Islanders.

The experience of financial counsellors in dealing with telcos has been overwhelmingly poor. The FCRC report *Rank the Telco*¹ report found that the hardship practices of Telcos are strikingly poor across the whole industry. Telcos also performed worst on hardship compared to other industries such as banking, water, energy and debt collection.

The findings in the ACCAN Report *Can You Hear Me: Ranking the customer service of Australia’s phone and internet companies*² are equally poor with difficulties seeking a resolution on average requiring 2.6 contacts, 3 phone transfers and at least 13 days seeking a resolution (and over a month for Telstra customers).

¹ Financial and Consumer Rights Council, *Rank the Telco* 2017 available at http://www.fcrc.org.au/Content/PDF_downloads/5019%20Rank%20the%20Telco%20Report%202017_single_pages.pdf

² ACCAN, *Can You Hear Me: Ranking the customer service of Australia’s phone and internet companies* 2018 available at <http://accan.org.au/hot-issues/1525-can-you-hear-me-ranking-the-customer-service-of-australia-s-phone-and-internet-companies>

Financial counsellors have been disappointed by:

- Consistent and systemic problems with the sale of telecommunications products including:
 - bundling products;
 - the sale of multiple smart phones;
 - unaffordable plans;
 - unsuitable (not fit for purpose) products; and
 - pressure selling.
- Telcos taking advantage of disadvantage³ by selling unaffordable and unsuitable products to disadvantaged people
- Internal dispute resolution that:
 - is difficult to access;
 - is difficult to find a staff member empowered to resolve the dispute;
 - is poor at acknowledging systemic problems with inappropriate sales practices; and
 - overly relies on the TIO to resolve disputes.
- Financial hardship processes:
 - that are inflexible;
 - where the telco staff are not empowered to agree to tailored solutions; and
 - where the telco staff can be judgmental (for example refusing a request for hardship assistance because a person smokes).

FCA also refers to the Consumer Safeguards Review⁴ which is currently in a consultation process. The Consumer Safeguards Review: Part A – Redress and Complaints Handling Consultation Paper sets out concerns with the failure of self-regulation. FCA supports those concerns about self-regulation failing people. That failure is systemic and ongoing. It necessitates regulation to substantially replace self-regulation.

FCA strongly supports the recent commencement of the *Telecommunications (Consumer Complaints Handling) Industry Standard 2018* (“Complaints Handling Standard”). This type of regulation is necessary to ensure the regulator can take action for breaches of the Standard. FCA contends that further industry standards should be enacted as soon as possible to introduce more regulation. The Complaints Handling Standard must be accompanied by rigorous

³ ACCC *Don't take advantage of disadvantage* available at https://www.accc.gov.au/system/files/217_%20BS%20Don%27t%20take%20advantage%20_FA_Web_Nov-2014.pdf

⁴ Information available at <https://www.communications.gov.au/what-we-do/internet/consumer-safeguards-review>

monitoring, investigation and enforcement by the regulator. FCA believes that industry should support the move to further regulation. Further standards to be considered should include sales guidance, responsible provision of credit, financial hardship, billing, and managing spending.

The Complaints Handling Standard does not obviate the need for telcos to reach for best practice in complaint handling. The Standard is a minimum standard and the proposed TCP Code has suggested no other obligations. This is a disappointing approach as the TCP Code should be reaching beyond the law to deliver better outcomes for people.

It is in the above context that we consider that it is essential that the TCP Code is enforceable, rigorous, detailed, comprehensive, benchmarked against best practice industry codes and has a strong compliance mechanism. Our submission below sets out the changes necessary to ensure the TCP Code will deliver protections and best practice for people using telco products and services.

Recommendations:

- 1. Further regulation of telcos is required to address the current failures of self-regulation**
- 2. The TCP Code must be enforceable and benchmarked against best practice industry code standards**

2 BENCHMARKING THE TCP CODE

ASIC defines an industry code as:

A code is essentially a set of enforceable rules that sets out a progressive model of conduct and disclosure for industry members that have signed up. Codes should therefore improve consumer confidence in a particular industry or industries.⁵

ASIC is the regulator for the financial services industry but the definition above is a reasonable definition for any industry code. Importantly, ASIC has outlined a set of benchmarks an industry code should meet for registration in Regulatory Guide 183. ACMA does not have any detailed guidance on benchmarks except the general principles outlined in section 112 of the *Telecommunications Act*. FCA contends that the TCP Code needs to be benchmarked against best practice principles in other industry codes. In effect, people using telco products and

⁵ ASIC Regulatory Guide 183 Approval of financial services sector codes of conduct available at <https://download.asic.gov.au/media/1241015/rg183-published-1-march-2013.pdf>

services should have the protection of a best practice TCP Code that is comparable or better than other industry codes.⁶

The table below is a comparison between the new Code of Banking Practice, which will take effect from 2019 and the draft TCP Code. This clearly shows that further improvements are needed to the TCP Code to benchmark it against best practice industry codes. The improvements needed are covered in our submission below.

Key criteria for a code	Banking Code of Practice	TCP Code
Freestanding and written in plain language	Yes	Yes, but could be improved
Body of rules	Yes	Yes
Consultative process for Code development	Yes	Yes but no independent reviewer
Meets general statutory criteria for code approval	Yes	Yes
Code content addresses stakeholder issues	Mostly	Partially
Effective and independent code administration	Yes	Not really
Enforceable against subscribers	Yes	No. Not a term of the contract
Compliance is monitored and enforced	Yes	Improvement needed
Appropriate remedies and sanctions	Yes	Yes, but inadequate
Code is adequately promoted	Yes	No, not in stores, hard to find on websites
Mandatory 3-year review of code	Yes	Yes

3 REVIEW

The TCP Code needs to be reviewed regularly to ensure it remains relevant and continues to deliver benefits to people. We believe that reviews should happen at least every three years.

⁶ ASIC recently approved the Banking Code of Practice under RG 183 see media release at <https://asic.gov.au/about-asic/media-centre/find-a-media-release/2018-releases/18-223mr-asic-approves-the-banking-code-of-practice/>

More importantly, the review of the TCP Code needs to be conducted by an independent reviewer, so that stakeholders have confidence in the process and recommendations. The independent reviewer should run the consultation process and develop a set of recommended changes to the TCP Code.

Recommendations:

- 1. Reviews of the TCP Code are conducted at least every three years**
- 2. An independent reviewer must be appointed to conduct the reviews**

4 ENFORCEABILITY

A person must be able to pursue a breach of the TCP Code. People must have confidence that the TCP Code is enforceable. Enforceability is a key test of the effectiveness of an industry code.

Enforceability is achieved by meeting the following standards:

- the TCP Code is a term of the contract with the customer (in this way the telco is contractually bound to comply with the TCP Code)
- the internal dispute resolution (“IDR”) function in a telco can consider all alleged breaches of the TCP Code; and
- the TIO can consider all alleged TCP Code breaches in determining a complaint.

The TCP Code must also cover remedies for breaches. The remedies must include:

- compensation for any direct financial loss or damage caused to an individual by the breach of the TCP Code; and
- the ability to make binding non-monetary orders obliging the subscriber to the TCP Code to take, or not take, a particular course of action to resolve the breach.

These standards must be reflected in the TCP Code. In particular, we note that the above standards are **not** covered in the Complaint Handling Standard and still need to be covered in the TCP Code.

Recommendations:

- 1. The TCP Code must be a term of the telco contract**

2. **The TCP Code must specifically state that breaches of the code can be considered in IDR and the TIO**
3. **The TCP Code should recognise that a person can seek compensation for losses caused to a person by a breach of the TCP Code by the Telco.**
4. **The TCP Code must recognise an ability by the TIO to make orders to remedy breaches of the TCP Code**

5 AUTHORISED REPRESENTATIVES AND ADVOCATES

FCA suggests that it is useful to note common types of authorised representative in the TCP Code to ensure that telcos are aware that financial counsellors often perform that role. The Debt Collection Guideline mentions the following authorised representatives: financial counsellors, financial advisors, community workers, solicitors, appointed guardian or a carer.

Financial counsellors still report having difficulty being recognised as an authorised representative. FCA has a standard authority form for the financial counselling sector - this was agreed to by the industry a number of years ago, under the auspices of Communications Alliance and specifically refers to the telecommunications industry.

It would be useful if the TCP Code specifically recognise this standard form authority. It is noted that the Debt Collection Guideline already recognises this authority.⁷ However, some financial counsellors use their own authority and those should also be recognised and accepted.

Recommendations:

The TCP Code should specifically mention financial counsellors as an authorised representative and recognise the FCA standard form authority

6 DEFINITION OF SMALL BUSINESS

FCA contends that all small businesses should have access to the protections in the TCP Code. The definition should not be determined based on the annual spend of the business, but on whether it is a small business.

It is well recognised by the Government that small business can be at a considerable disadvantage in negotiating consumer contracts for supply of products and services. The Government recently introduced unfair contract term

⁷ Section 9 of the Debt Collection Guideline at <https://www.accc.gov.au/publications/debt-collection-guideline-for-collectors-creditors/debt-collection-guideline-for-collectors-and-creditors/part-2-practical-guidance/9-when-a-debtor-is-represented>

protections to protect small business in consumer contracts.⁸ This legislation recognises that small business has little or no ability to negotiate the terms of the contract.

Case study – financial hardship

Mrs A closed her business when she became carer for her partner. When the telephone contract ended she tried to change from a business account to personal account but was persuaded to keep the phone as a business account. After the death of her husband and increasing health problems of her own, Mrs A struggled to secure hardship provisions as there is limited scope for business accounts. Eventually Mrs A closed the telephone account and got another phone with another service.

She then tried to make payments on her debt. The financial counsellor asked Telstra for information to organise Centrepay. After two attempts each requiring a trip to another town to access Centrelink and due to Mrs A's health concerns, this took some weeks. The financial counsellor rang Telstra again to verify the account details and was given the same account numbers. The paperwork was resubmitted and rejected. Another phone call and the financial counsellor was told that she was missing a number. Mrs A submitted the paperwork again and it was rejected. Another telephone call and after much patience telling Mrs A's story to several people, the financial counsellor was told that they can't do Centrepay payments on business accounts. By this stage, Mrs A's health had deteriorated to the point that she needed more medication and so her budget was unable to sustain even small payments.

The financial counsellor asked for a waiver on the account, and started a new adventure on finding information and the right people to talk to. There was no assistance and a complaint lodged was eventually lodged in the TIO.

A common definition of small business is:

A business is a "small business" if at the time it obtains the telecommunications service all of the following apply:

- a) it had an annual turnover of less than \$10 million in the previous financial year; and*
- b) it has fewer than 100 full time equivalent employees.*

A cap could be included as a third limb; however, it needs to be generous to start with or indexed yearly. In our view, the cap should be at least a \$40,000 annual spend. This recognises the vital role of telecommunications as an essential service for small business.

⁸ Subdivision BA Unfair contract terms *Australian Securities and Investments Commission 2001*

Recommendations:

- 1. The TCP Code should include a definition of small business**
- 2. Small business should be comprehensively covered by the TCP Code in recognition that they often have very similar problems to consumers**
- 3. If a cap on spend is introduced it should be at least \$40,000**

7 DISABILITY

People with a disability can heavily rely on telco services to meet their everyday needs. It is essential that people with disability are told about, and have access to, a wide range of accessibility features on telco products and services.

FCA supports the work of ACCAN on this point and supports their detailed submissions and recommendations on improvements of the TCP Code to better assist people with disability.

8 FAMILY VIOLENCE

Family violence is a serious social problem in Australia. Domestic and family violence is defined by 1800 Respect as:

“a pattern of abusive behaviour in an intimate relationship or other type of family relationship where one person assumes a position of power over another and causes fear...It is often referred to as a pattern of coercion and control.”

People affected by family violence have serious ongoing safety concerns, serious financial hardship and difficulties rehabilitating both emotionally and financially from the violence. The main people affected by family violence are overwhelmingly women, but men are also affected. The perpetrators of family violence are usually men.

Financial abuse is a form of family violence that involves power and control over financial matters. It can include forcing someone to enter into a telco contract, and/or forcing them into a joint contract when the telco product is not for her. It can leave the person affected by family violence in thousands of dollars of debt. This pattern of control can continue even after the victim has left the abusive relationship.

Family violence is a serious matter and the telco response should be covered in detail in the TCP Code. A guidance note, while well intentioned does not give the

standing this issue deserves. Telcos need to commit to action on family violence in the TCP Code.

The TCP Code needs to cover a number of actions that telcos need to take and should be a positive obligation under the TCP Code:

1. Warning signs of potential financial abuse

Telcos and their sales agents need to be aware of potential abuse when selling telco products. The telco should look for the following signs including if one person:

- is seen or heard taking instructions from another party
- remains silent while the other party does all the talking
- appears fearful of the person accompanying them
- does not understand the telco contract will be in their name
- states clearly that the telco product is for someone else
- is not present for the transaction
- mentions a domestic violence order.

Case study – bill shock

Toula is 45 and has been in Australia for a number of years. She was originally from Greece. She has three children. She has been hospitalised for mental illness twice in the last year. Toula has been a victim of long term domestic violence. Her husband is an ice user and has been incarcerated for the violence to her. Her income at all relevant times is Newstart with family tax benefit.

Toula now has a bill for \$6023. This was comprised of a number of unsuitable contract changes including an upgrade from iPhone 6 to iPhone 8, which was a more expensive plan, excess data usage charges (that seem to have been caused by her children while she was in hospital) and fees.

2. Safety

Industry (including telcos) have a vital role to play in keeping people affected by family violence safe. Safety is an issue for the whole community. Telcos have a clear role they can take in demonstrating a commitment to the safety of their customers affected by family violence.

That role should include:

- discussing safe ways to communicate with the telco customer
- not requiring the customer to contact the perpetrator. If it is necessary to share information, considering safe ways to do this

- making sure telco staff are trained on family violence and safety
- making sure that telco staff support their customer to contact specialist family violence services or the police (depending on the threat to their safety).

3. Joint telco contracts

Care needs to be taken with joint Telco contracts. The contract is on the basis of joint and several liability. For this reason, the TCP Code needs to make sure that it covers:

- the right of one joint debtor to make a repayment arrangement without the consent of any other joint debtor;
- specific recognition that if the victim did not receive a benefit they should be released; and
- the telco can waive a debt for one joint debtor without the consent of any other joint debtor.

Case study – DV, financial hardship and poor response from Telstra to seeking assistance

Lindy has 3 services- home phone/internet bundle including a mobile phone for herself with iPhone 6 still being paid off. Mobile phone for son, phone now fully paid for.

Lindy has experienced long term DV and was the victim of a home invasion last October which exacerbated existing mental health conditions. She lost her job as a consequence and is in receipt of Newstart. Lindy could not afford her current plan.

Lindy attended local Telstra store to seek assistance (with Community Projects worker as support).

Lindy was told that there was no assistance available for hardship, no DV support program, and the employee refused to refer her to a hardship team via phone, stating that “there is nothing we can do, you’ll just have to make arrangements to pay your bill.”

The account was sent to a collection agency. Lindy and her carer came to see a financial counsellor seeking help for this and other financial matters. The financial counsellor contacted Telstra, who returned the account from the collection agency and agreed to cancel the home phone/internet service. Disconnection fee was waived. The financial counsellor tried to get a refund of the months that client did not receive benefit for service but to date Telstra has refused, on the grounds that the service is valid. The financial counsellor is continuing to fight this and will go to the TIO if necessary. Telstra agreed to change son’s mobile service to prepaid. Telstra also agreed to payment of \$60 per month for the client’s mobile, however

are still demanding full payment of the outstanding balance via a payment plan. No offer of partial waivers or any other assistance has been made.

4. Debt collection

Telco debt collection procedures need to be adapted due to the risk of the debt collector acting in a way that endangers the victim. It is important that the debt collector:

- is instructed about the family violence
- understands that safety is a priority
- ensures that both parties are not pursued if an arrangement is in place with the victim who is the telco customer

5. Credit reporting

Credit reporting defaults can mean that a victim of family violence cannot get housing. Financial abuse can involve a plan by a perpetrator to have a victim default listed to interfere with rehabilitation. Once the telco is on notice that their customer is a victim of family violence a default should not be listed on that person's credit report. If a default has already been listed the telco should consider removing the default to assist their customer to rehabilitate.

Recommendations:

The TCP Code needs to include guidance on family violence including:

- **Looking out for warning signs;**
- **Safety measures;**
- **Dealing with joint debts when there is family violence;**
- **Guidance for debt collection; and**
- **Assistance to deal with credit reporting issues**

9 CONSUMER SALES, SERVICE AND CONTRACTS

Financial counsellors regularly identify systemic problems with the sale of telco products and services and see people who have been sold products and services that range from inappropriate to exploitative. There are also widespread problems with telco franchisees and agents.

Critical Information Summary ("CIS")

FCA is concerned that the delivery and presentation of the CIS is still failing people buying telco products and services. We believe there needs to be user testing and detail in the TCP Code about how to deliver the CIS in a way that is meaningful, rather than as just another part of the paperwork.

The current appearance of the CIS is very much like a “Willy Wonka” contract – it is full of small print and no one would bother reading it. The comparison table tends to be full of too much information and is difficult to follow. The information prescribed in the CIS in the TCP Code does not consider design and accessibility. The CIS needs to be user tested then redesigned with prescription on how the most critical information is provided.

We are also concerned that the following information is not clearly covered in the CIS:

- the date a plan ends for the purchase of a handset in a bundled arrangement;
- how to cancel the contract and go to another telco; and
- any requirements where you cannot keep your phone number.

Many people never notice or remember receiving a CIS. Behavioural economics methods are needed to ensure that people see the CIS and read the CIS. For this reason, section 4.1.1. of the TCP Code needs further prescription on how the CIS is supplied including:

- when exactly it has to be supplied;
- how it is supplied;
- a requirement to highlight some of the important information; and
- making it easy to find on the Telco website.

Recommendation:

The CIS needs to be redesigned and user tested with the TCP code amended to prescribe the new format and information including the most effective delivery options

Selling practices

Financial counsellors are extremely concerned about the sales practices of telcos. The TCP Code has not been effective to date in resolving these problems.

Case study – an inappropriate lease for a phone

Garry is 57 years old, a single parent of 2 teenage children. He is in private rental. His income is Newstart and the family tax benefit.

He approached Telstra to obtain mobile phones for his family. He was signed up to a lease and bundle arrangements with a minimum monthly spend of \$800. He never understood he was on a lease. This included a smart watch and a Netgear Nighthawk which he had no idea how to use. The payout figure for the contract was over \$10,000.

The financial counsellor is trying to assist Garry but he is frightened of being without a phone. He does have some savings from the sale of a property following his relationship breakdown. It is likely those savings will be reduced significantly trying to resolve this matter.

The above case study is a clear example of exploitative and unfair sales practices. The person was signed up for a lease when he wanted to purchase mobile phones. There was no obvious tax deduction. He was sold a bundle of products some of which he did not understand or want. He was also sold a plan he could not afford.

As is the case in the banking industry, Key Performance Indicators (KPIs) coupled with commissions and sales incentives are driving unethical and high-pressure sales tactics. The role of KPIs in sales has recently been under a great deal of scrutiny in the Financial Services Royal Commission. Telcos should be learning from this experience and specifically include measures to ensure that products and services are tailored to the needs of the customer. Telcos need to be actively measuring quality and ethical conduct and not just quantity.⁹

We strongly support the inclusion of the reference to culture on page 1 of the TCP Code. It is essential that this statement leads to a change of culture in telcos to ensure that ethics and a commitment to quality are embedded in Telco culture.

The principles-based approach has been generally ineffective. For real change, we believe that it is necessary to include specific guidance in the TCP Code on

⁹ See Gittins, Ross *Why KPIs are a dangerous fad*. 18.12.13 at <http://www.rossgittins.com/2013/12/why-kpis-are-dangerous-fad.html>

what would constitute unfair practices. This will require detail. The Telco product and service needs to be suitable for the person. We suggest adding some bright line rules in the TCP Code to protect people from unfair sales practices. The majority of the suggested new rules will be covered under credit and debt management below, however, there are some rules that should apply to sales practices.

We specifically support the ACCAN recommendations on this which include:

- an additional requirement at 4.6 to ensure that sales incentives are aligned to the requirements of the customer;
- a requirement to take account of the requirements and objectives of the person (see below under credit management for further detail)
- training in the needs of vulnerable people (for further detail see section 14 on taking advantage of disadvantage)
- following up people to ensure the contract was appropriate.

Customer service

Financial counsellors often hear about poor customer service from people dealing with telcos. The ACCAN Research, *Can you hear me?* showed that many people experience poor customer service when dealing with telcos.

The TCP Code needs to introduce benchmarks to improve customer service. On this issue, we have read the ACCAN submission and support their recommendations being:

- At 4.9.1. add a requirement to deal with simple enquiries within a maximum of two working days, and more complex enquiries within five working days;
- At 4.9.1(b) add a requirement that the customer must be connected to the right customer service area within 5 minutes, an acknowledgment within two minutes for Live Chat, and other enquiries (email, online and social media) must be acknowledged within one working day.
- At 4.9.1. (c) add that simple account administrative enquiries are resolved at first contact;
- At 4.6.1 (d) add that records of interactions must be *immediately* accessible;
- At 4.6.1 (e) add “and have the knowledge and ability to do so” at the end.

FCA also contends that telcos should be improving their notification practices to their own customers. People need to be informed at the time they enter the contract and at relevant times throughout the contract. People need to be notified about the following:

- changes to the plan (for example, if the contract ends and the handset has been paid in full); and
- if their phone contract has been cancelled and moved elsewhere (for example, the person did not cancel and they are the victim of identity theft).

Access to records

The Privacy Act 1988 gives people a clear right to access personal information held by the telco about that person. Telcos now routinely record all calls. People need to have a comprehensive right to access information that is being relied on by the telco in any dispute.

The TCP Code should have a section that provides people access to documents and other relevant information. The TCP Code should provide that a customer has access to relevant documents. The documents should be accessible online or by request over email for free. A small reasonable fee to cover costs for paper copies.

The customer is entitled to access or copies of the following:

- a copy of the contract;
- bills;
- any notices or demands

In addition, in the event of a dispute the customer must be provided copies of any call recording or notes the telco is relying on.

Unsolicited sales

Case study – a meeting with Telstra in the mall left an Aboriginal man worse off with bundling

An Aboriginal man who already had a Telstra phone plan and another plan for a tablet. He was called over into a Telstra shop in the mall who said they could arrange a better deal. Even though the plan on the phone improved, overall, he ended up paying more per month than before he entered the Telstra store.

The TCP Code should ban unsolicited sales. There has been a lot of research that shows that unsolicited sales leave people in a difficult position to say no in a high-pressure environment. We should acknowledge these problems and ban the practice entirely.

Financial counsellors are particularly concerned by unsolicited sales to disadvantaged people. This involves telco sales agents visiting rural areas or

Aboriginal and Torres Strait Islander communities and selling phones with plans. This type of conduct is an example of “taking advantage of disadvantage.”¹⁰

Recommendation:

1. The TCP Code should ban unsolicited sales

Cooling off period

A cooling off period of 14 days should be considered as an incentive to ensure sales meet customer requirements. It would also give people an “out” when they have been sold a completely inappropriate telco product or service.

Case study – recovering from a stroke and bundled into an unaffordable plan

CL had had a stroke and was well enough to go back to his ‘sheltered workshop’ employment. He went to the local Telstra store and they convinced him that now that he had had a stroke he would need a bundle of goods from them.

CL just wanted a phone, but was led to believe that he had better get the whole lot. He got home with the goods and realized that he couldn’t pay for the stuff and really didn’t want it. He went back to the shop and they said - ‘too bad, you signed, it’s too late now’.

CL sought help from a financial counsellor. The financial counsellor contacted Telstra. Eventually, with many calls and much pressure, they would only agree to a payment plan of around $\frac{3}{4}$ of the full payment and CL must send the bundle back. It is to be paid off over a longer period – which is some relief for CL.

CL sent the bundle back – got an old phone and signed up with Better Life Mobile. CL is pleased with his new service but CL is not in high paid employment so the new payments are still significant.

Financial counsellors have seen a number of inappropriate sales where a cooling off period may assist with resolving the dispute.

The cooling off period would be on the basis that the telco product is returned in good order and any usage is paid for.

Recommendation:

¹⁰ ACCC *Don’t take advantage of disadvantage* available at https://www.accc.gov.au/system/files/217_%20BS%20Don%27t%20take%20advantage%20_FA_Web_Nov-2014.pdf

1. The TCP Code should have a cooling off period of 14 days for all new contracts

10 BILLING

Extra charges for paper bills and different methods of payment

Financial counsellors report a lot of dissatisfaction from people about extra charges for different methods of payment and for paper statements. The people who need different methods of payment and paper bills are overwhelmingly those people who are disadvantaged. The extra charges contribute to the financial hardship of those people who are disadvantaged.

Telcos should be committed to not causing the most disadvantaged people in our society further financial hardship in using Telco services.

Recommendation:

- 1. The TCP Code should specifically provide that bills are sent free of charge**
- 2. The TCP Code should provide that no fee can be charged for paying a bill**

Third party billing

We strongly support the need for more extensive rules in the TCP Code to reduce unintended third-party billing. FCA supports the ACCAN submission recommendation that:

- the account holder must activate the service;
- the spend limit must default to \$0 and on activation the spend limit must be nominated by the account holder
- there must be a double opt-in arrangement for third party billed services
- once a STOP request is sent all third party charges must cease.

11 CREDIT AND DEBT MANAGEMENT

Financial counsellors' greatest concern is the sale of telco products and services that are unsuitable for people. The harm that is caused from being sold an unsuitable product is significant. It includes financial hardship, stress, limited access to telco services, difficulty getting loans, difficulty getting housing and even family breakdown. It is essential that people are only sold telco products that they want and which meet their needs.

Case study – moved out of an affordable pre-paid contract into an unaffordable post-paid contract while unemployed

Mr NS is living on a Newstart allowance of \$281/week while caring for his elderly father. He also has a large Child Support debt accrued. Mr NS visited the Broome Telstra store in September 2017, seeking repairs to his prepaid handset. He was quite happy to continue with his prepaid phone. Instead, the Telstra salesman signed him up to a two-year post-paid contract with multiple devices totalling \$200/month.

Mr NS cannot read or write. Mr NS quickly accrued a Telstra debt of over \$1,300 and received a letter threatening him with Telstra early termination fees of a further \$2,750 if he didn't pay up immediately. Telstra stated that Mr NS faced the potential of bills exceeding \$3,921. Broome CIRCLE staff made a formal complaint to Telstra and the local store manager eventually cancelled the contract and refunded amounts already paid by Mr NS.

Then in mid-January 2018 (after Telstra had cancelled the contract) Mr NS received a new Telstra bill for \$1,500. Then one week later this same account had tripled to over \$4,500. Mr NS had completed the contract application form correctly and stated that he was unemployed.

Introducing a credit assessment process with a list of documents that “may” be considered is an inadequate process. If the process becomes compulsory it will better protect people from being given unaffordable telco plans. It does not do anything about the problems of people being sold products and services that do not suit their needs.

The only way to effectively reduce the harm is to introduce a set of clear rules to ensure telco products are suitable. This involves three parts:

1. an assessment of affordability
2. questions about purpose and an assessment of the requirements and objectives of the person applying for the telco product or service
3. bright line rules about what is not acceptable in sales

The TCP Code needs to cover all of the above requirements. It cannot be in a separate non-binding document. If the above process is not introduced in this TCP Code then the only way forward to protect people from unsuitable telco products will be a binding Standard.

Assessment of affordability

The list of information that can be requested under the credit assessment does not include any questions about living expenses. It is not possible to consider the affordability of a product without asking for details of living expenses. These

expenses then need to be stress tested against a benchmark for living expenses with the highest amount being taken as the figure for living expenses.

There needs to be a positive obligation to do the following:

- enquire about the income and liabilities of the customer;
- check that this information is accurate; and
- assess whether the customer can afford the plan.

If the person cannot afford the proposed plan repayments then the telco is required to not proceed with the sale.

Requirements and objectives

The person needs to be asked about their requirements and objectives in getting the telco product or service. This needs to be noted with the telco then tailoring the product or services to these needs. If it is not possible to provide a product/service that meets those requirements the telco must not proceed with the sale.

This is a particularly important part of the credit assessment process because people should be able to rely on a telco to provide suitable products and services.

Case study – pensioner with \$3,333 debt

Rob is 68 years old and an aged pensioner. Before being on the aged pension he was on the Disability Support Pension. He lives in public housing. He has ongoing mental health problems. He has been hospitalised for mental health problems several times over the last few months. He is illiterate.

He got two mobile phones from Telstra. He now has a bill of \$3,333. He has no idea how it got that high. He does not believe he got the bills. He thinks they were being emailed but he was not sure how to open his email. He could never afford the phone plan.

Rules about what is not acceptable

People need protection from exploitative practices. These are practices where the person is left in a worse position because of the actions of the telco. Some of these practices would amount to unconscionable conduct. However, proving unconscionable conduct can be very difficult and prevention is needed.

FCA contends that the following rules need to be included in the TCP Code:

- an obligation to not move any person from a pre-paid to a post-paid contract unless it is specifically requested by the person. The contract must be suitable. Where a person does move from a pre-paid to post-paid, the telco must document why this is appropriate;
- selling multiple phones (and tablets) to one person without enquiring about their circumstances and needs; and
- prohibiting the sale of phone leases to people who are not in business.

Recommendations:

- 1. The TCP Code should specifically contain rules to require an assessment of affordability and that the product or service meets the requirements and objectives of the person**
- 2. The telco product or service cannot be sold if it is unsuitable**
- 3. The TCP Code should specifically include rules about conduct that may be problematic including moving people from pre-paid to post-paid plans, the sale of multiple telco products and inappropriate leases.**

12 EXCESS DATA CHARGES

Financial counsellors are seeing a lot of problems with bill shock following excess data usage. This has resulted in people on low incomes being left with thousands of dollars of debt. The notifications sent have not been effective in stopping these large debts.

People need to be protected from bill shock. This could be done by giving people the option of a hard cap on excess data usage. It should be possible to slow down data use or stop it as soon as the data allowance is reached. This could then prompt a discussion with the telco to decide on a more appropriate plan (if affordable).

Recommendation:

- 1. The TCP Code should specifically require a hard cap or slow down data once the data allowance level is reached.**
- 2. The customer must opt-in for any auto data top up arrangement.**

13 FINANCIAL HARDSHIP

The financial hardship section contains a lot of detail. However, there are a number of important details missing. The Code of Banking Practice 2019 is an example of an industry code that covers financial hardship in a more comprehensive and fair way.

Case study – home invasion survivor cannot get help with telco issues

Single male, 35 years of age and on a Disability Support Pension. He has long term mental and physical health issues and no employment history. Living in shared accommodation. He was the victim of a home invasion where his phone and laptop were stolen. He cannot live at his previous home due to being unsafe.

Client called Telstra – they would not believe that this had happened – made him produce evidence. He is now unable to continue to pay the debt with Telstra and he presented to financial counselling for assistance.

The financial counsellor requested a release from the debt and provided evidence of financial situation (money plan deficit), evidence of police file and evidence of mental and physical health issues.

Telstra refused to waive the debt and it took three months to agree to a payment plan of \$20 P/F – only possible due to other alterations made to money plan.

The TCP Code would benefit from the following changes:

- it would be good to duplicate the summary “How we may be able to help” from the Banking Code of Practice to the TCP Code. A summary can be very useful;
- a requirement to tell people about their right to request financial hardship under the TCP Code and their right to have a rejection reviewed by the TIO;
- details of when the telco may waive a debt¹¹;
- that the telco may contact the person if they believe they are experiencing financial difficulty. It is important to be proactive in assisting people in financial hardship; and
- confirming the financial hardship arrangement in writing.

¹¹ See for example section 171 and 172 of the Banking Code of Practice at https://www.ausbanking.org.au/images/uploads/Banking_Code_of_Practice_2019_web.pdf

14 COMPLAINT HANDLING

Section 8 of the TCP Code refers to the Complaint Handling Standard and provides no further commitments. The purpose of an industry code is to have progressive best practice rules, not just refer to the law.

The following needs to be included in section 8 of the TCP Code to demonstrate that telcos have a best practice approach to complaint handling including commitments to the following:

- to ensure the process for handling the person's complaint is fair and reasonable;
- to keep the person informed about the complaint;
- the name of a contact person who will be handling the complaint;
- to provide a written response (if not resolved within 5 days) that covers the outcome of the investigation, the right to go to the TIO and the contact details of the TIO;
- if the complaint cannot be resolved within 21 days that the telco will tell the person that they need more time;
- provide full contact details on the telco's website with a link accessible from the home page including both financial hardship and complaint contact details including details of the department, an email address, a designated 1800 freecall phone number and a postal address; and
- provide full contact details to the TIO on how a complaint can be made to the telco including details of the department, an email address, a designated 1800 freecall phone number and a postal address.

15 CUSTOMER ADVOCATE

The telcos should provide a customer advocate, in a similar vein as these roles in the banking industry. This role should be specifically provided for and referred to in the TCP Code. This would represent a commitment by the telcos to fairness and a commitment to improving outcomes for telco customers.

Recommendation:

1. **The TCP Code should specifically require that each telco appoint a customer advocate**

16 TAKING ADVANTAGE OF DISADVANTAGE

There is a specific reference to the ACCC report *Don't take advantage of disadvantage* under debt collection in the TCP Code. This should not be under debt collection. The report is about both the creation of the contract, the conduct during the contract, the end of the contract and debt collection. The TCP Code must commit to the report's best practice advice in full and not only for debt collection. As detailed throughout this submission and the case studies provided, there are systemic issues identified in the sale of telco products and services. These systemic issues need to be remedied.

Case study: seeking financial hardship and getting sold more telco products

Joe is an Aboriginal male (originally from Kowanya – remote Indigenous community in far NQ) who is 52 years old. He is on Newstart and lives in community housing. He was recently released from prison and is currently on a Strict Supervision Order with Probation & Parole who referred the client to a financial counsellor.

He has a Telstra bill for over \$6,000.

On 30 April 2018 client received bill for \$2,155. He contacted Telstra for support whereby they sold him extra items advising this would suit him better. About 2 weeks later on 14 May 2018, he received another bill for \$6,362. He then contacted Telstra again advising them that he could not afford this and Telstra demanded payment of the full amount. He also has an Optus phone that he got when the Telstra device was disconnected. He has been managing this himself and he is approx. \$200 in arrears.

Joe has been unemployed for a lengthy period including his imprisonment and had difficulty understanding the terms & conditions of the contract as well as using the smart phone.

The financial counsellor has requested a debt waiver and is waiting on a response.

Recommendation:

The TCP Code should specifically require that telco must comply with the ACCC report *Don't take advantage of disadvantage* in full and it should not be listed only under debt collection.

17 ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

Financial counsellors and financial capability workers spend a lot of time assisting Aboriginal and Torres Strait Islander people with telecommunication issues. There are a number of factors that contribute to this including:

- Low numeracy and literacy levels – many Aboriginal and Torres Strait Islander people do not understand how telco plans and contracts work
- for people living in remote communities it can be difficult to access services, get phone reception, or access the internet
- problems with complaint handling with telcos because of difficulty contacting the telco, not being able to get reception to call, not understanding what staff are saying, and not being told about how the dispute resolution process works (or understanding it)

Case study – unsuitable telco contract

Emi is a single mother and lives in a remote Aboriginal community 200 km north of Broome along a dirt road that is closed for long periods of the wet season. She lives on a Centrelink Pension with four dependent children (aged 6 to 17). Her income is less than \$20,000 per year.

She visited a Telstra store to get a new phone in April 2017. Instead of receiving a simple phone for pre-paid calls and data, she was signed up to a two-year contract for multiple devices totalling repayments of \$240/month. This amounts to finance of \$5,760 over the life of the contract. The contract is not affordable.

Her latest bill totals \$7,874, and Telstra refuse to negotiate.

The financial counsellor in Broome has over 20 cases that are very similar, where the telco took advantage of disadvantage to sell Aboriginal and Torres Strait Islander people phones and plans that were obviously unsuitable and unaffordable. This has left many with high bills they can never afford to repay. Financial counsellors in other parts of regional and remote Australia have reported the same problems.

Aboriginal and Torres Strait Islander people have told financial counsellors that they have problems with:

- Being taken advantage of by telcos (and their agents and franchisees) to be sold plans and phones that are expensive and unaffordable
- Not understanding excess use of data and calls charges
- Being sold multiple phones and tablets that they don't use or don't understand how to use

- Being sold devices where there is no or limited internet
- Being misled about costs
- Bill shock including receiving bills for thousands of dollars
- Selling post-paid plans when pre-paid plans were working well
- Difficulties accessing and using the TIO

Case study – systemic telco problems in the top end or “taking advantage of disadvantage”

A financial counselling agency has a number of Aboriginal and/or Torres Strait Islander people who have been mis-sold telco products and services by Telstra and each client now has a completely unmanageable bill. All happened at the Telstra Casuarina Store

- signed up for multiple phones debt now \$5,260, client on Disability Support Pension (DSP)
- provided 4 phones in 4 weeks and debt now \$6,800, client on DSP
- did not understand phone contract at all and debt now \$6,870, client on DSP
- very low literacy and numeracy and debt now \$5,000, client on DSP
- low literacy and numeracy and did not understand contract or how to use a smart phone and debt now \$4,884, client on DSP
- on Newstart with a medical condition signed up to a contract he did not understand and could not afford, debt now \$14,700
- low income working given a contract she did not understand, debt now \$9,000
- client signed up to two separate contracts for 4 phones in the space of a month, debt now \$6,900
- client went into the Telstra shop to get her own phone fixed, walked out 5 hours later with 3 smart phones including a bill for fixing her phone, debt now \$6,644.33

Case study – systemic Telco problems in Broome or “take advantage of disadvantage”

A financial counsellor had 23 cases of Aboriginal people in unaffordable and inappropriate contracts with Telstra. Three examples are:

- NS is living on Newstart caring for his elderly father. He cannot read or write. Visited Broome Telstra seeking repairs to a handset for which he had a pre-paid contract. He was signed up to a 2-year post-paid contract with multiple devices for \$200 a month. He had stated he was unemployed. The debt was now \$3,921.
- KT is a single mother and lives in a remote Aboriginal community 200 km south of Broome on Centrelink payments. Her community is often cut off from access to Broome during the Wet Season. She is experiencing financial hardship and has requested assistance from Broome Circle. Ms KT’s mental health support worker

says: “She visited the Telstra Shop in Broome in July 2017 to buy a phone. A salesman sold her three mobile phones as part of a bundle which also included speakers and an iPad. She now has a \$8,737 bill and is confused about why. She still has one of the phones but the other two phones have been lost and the speakers were stolen. KT would be happy to return the phone that she has and is seeking assistance to have the debt wiped if possible. She does not have the means to pay this bill. She receives Centrelink payments as her main income means.”

Telcos should be providing culturally appropriate services to Aboriginal and Torres Strait Islander people to meet their needs. This is particularly important as the proposals may cause particular problems for Aboriginal and Torres Strait Islander people. These can include:

- Language and literacy issues communicating with a telco
- Difficulty understanding complex fees and charges
- Difficulty accessing complaint handling processes due to being remote
- Understanding that Aboriginal and Torres Strait Islander people have cultural obligations (for example Sorry Business) that may mean delays in sending information or responding

Case study – Aboriginal man goes in to pay a bill and ends up with a Samsung S7 and tablet

A 70-year-old Aboriginal man went into a Telstra shop in Adelaide to pay his bill. He came out with a Samsung S7 phone and a tablet. He had only been using his phone for calls. He did not download other content. He did not know how to use the smartphone.

The financial counsellor helped her client to cancel the contract with no cancellation fees. The existing debt was repaid using Telstra vouchers.

Case study – three mobile phones and no coverage

An Aboriginal man who lives on the APY lands in remote South Australia presented to a financial counsellor with 3 mobile phones that all could not be used as there was no mobile phone coverage at his home.

The TCP Code should provide culturally and appropriate services for complaints handling which includes:

- Providing a culturally sensitive and dedicated phone service for Aboriginal and Torres Strait Islander people or their representative to deal with complaints and other issues
- Offering interpreters when possible
- Referring to financial counsellors and financial capability workers when assistance is required.
- Culturally sensitive and tailored disclosure materials

Overall, it is particularly important that Telcos audit their processes to ensure that Aboriginal and Torres Strait Islander people have genuine access to complaint handling.

Recommendations re Aboriginal and Torres Strait Islander people:

1. The TCP Code require telcos to provide a culturally sensitive and dedicated phone service for Aboriginal and Torres Strait Islander people or their representative to deal with complaints and other issues
2. Telcos offer interpreters when possible
3. Telcos referring to financial counsellors and financial capability workers when assistance is required.
4. Telcos providing culturally sensitive and tailored disclosure materials

18 APPENDIX – CASE STUDIES

Case study – a bundle where the consumer did not get what they wanted and cannot cancel due to large costs

BACKGROUND

Client has an intellectual disability that is on DSP and exacerbated by substance abuse.

PRESENTED

The client presented at the initial assessment on 31/7/2018 that he had a contract for a new phone/bundle of approx. \$220 per month. This agreement executed Dec 17 was for a new phone and 25 GB of data.

Client is struggling to maintain same and advised that he went to the Telco to look at setting up the internet at his place of residence. The client thought that the agreement included both. It was not until later that he realized it did not include home internet.

When the client tried to cancel as it did not cover what he wanted he was advised the overall cost to cancel would be approx. \$1600 for the phone plus cancellation fees which the client did not have and therefore felt he had little choice but to stay with the current arrangement.

Case study – an unaffordable telco debt and difficult complaints process

BACKGROUND

Client has an intellectual disability and is on DSP. The client has minimal to basic understanding of the concept of the acceptance of agreements and her rights as a Customer. The Client is also the Carer of her family who also have intellectual impairments.

The client was referred to Moneycare Townsville by a Community Centre on 10th May 2018, who had previously advocated with the Telco some time previously. The summarized result of this was 3rd party charges were credited and the mobiles were blocked from usage of 3rd party apps, as well as additional unknown credits and or reimbursements.

PRESENTED

The client presented at the initial assessment on 21/5/2108 with an April bill in her name, in excess of \$2000 and monthly charges approx. \$600+. The Client advised the Telco was demanding a minimum of \$300 per fortnight or they would disconnect the mobile phones. Client was anxious as she needed to keep in contact with her daughter attending school, as well as her partner when he went out independently in case they got into trouble.

The Client advised that she had attempted to make contact over the phone as well as directly at the store, but became frustrated as she felt there was no assistance in respect to the rising debt. There was no referral known to the Telco Financial Assist Team and or recommendations on how to reduce the costs to a more reasonable expense.

CHRONOLOGY OF EVENTS

21st May 2018 – Recommendation of a review of known statements on hand being April 2017, November 2017, December 2017, January 2018 and April 2018 to be completed by Moneycare and to advocate on the client's behalf. In depth communication forwarded to the Telco, advising the Telco of the vulnerability of the client.

Date of action	Issue identified	Telco's response	Content of outcome
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<p>April 2017 to May 2018</p>	<p>Review of statements identifies a number of new agreements and increased transactions throughout, whereby the Telco knew the client was struggling with payments and continuously in arrears. There seemed to be no review by the Telco as to the client's attempt to address needs and reverse charges where possible. Client's vulnerability was not considered at the time of any of the new agreements were implemented</p>	<p>30/05/2018 Advised verbally; Confirmation of receipt of correspondence and a review will commence. Advised by Telco (in summary) that the Client should be under the "Public Trustee" if she was identified as vulnerable and then agreements would be blocked and matters dealt with the Trustee.</p>	<p>Moneycare's verbal response back was that the client is able to live independently as a vulnerable person who has empowerment. This does not give the Telco the right to abuse this client's vulnerability knowingly – or words to that effect.</p>
<p>April 17</p>	<p>An upgrade of internet services was recommended by the Telco including NBN, Internet, email and Foxtel. Client advised the upgrade did not improve services and the services were changed from Fast to Standard.</p>	<p>20/6/2018 Telco advised client can cancel service without a Cancellation Fee.</p>	<p>July 18 – Telco charged \$67.43 cancellation fee, awaiting reversal by Telco.</p>
<p>April 17</p>	<p>Client received a Home Security Camera on the recommendation of the Telco, with an increase of approx. \$25 per month. Item was never installed.</p>	<p>20/6/2018 Telco advised they are willing to remove cancellation fees if the unit is returned undamaged at the client's cost.</p>	<p>Jun 18 Telco charged cancellation fee of \$189.20. Awaiting client to return the unit for reversal.</p>

April 17	Client obtained a new phone and additional plan for her daughter, \$70 per month, plus \$5 per month for a cover and \$15 per month Stay Connect, not fully understanding what the Stay Connect program was about.	20/06/2018 Telco advised this unit/agreement is valid and no adjustment to the agreements will be made.	
April 17	Client contacted the Telco to advise that the charge for her current notepad did not show on her statement. Client was advised to pick up another notepad for the charge to continue. Client was then charged for 2 notepads. Increasing her costs by \$35 per month. Client attempted to return the additional notepad Nov 17 at the Telco store but was advised to return would cost her approx. \$800. No referral was made to resolve the client's wish to reduce her costs.	20/06/2018 Telco advised they are willing to cancel the service with no cancellation fee, if the client is able to return the unit undamaged at their cost.	Jun 18 Client charged cancellation fee \$ 227.177 and Payment Contract Balance \$198.172 totalling \$413.682. Awaiting client to return the unit.
April 17 and or prior	Client was recommended an additional technical service at \$15 per month to assist her with her technical queries on her phone and notepads	20/06/2018 Telco advised willing to cancel subscription and to reimburse all service charges to date	Telco cancelled service and no further charges. Awaiting a credit from the Telco estimated value in excess of approx. \$250.00

<p>Sept 17</p>	<p>Client moved residence. Client advised that the house was not set up for the current service due to a technical issue and the Telco set her up with a different service at an additional \$21 per month, no reduction on the prior service charges. Feb 18, the upgrade occurred to bring the client back to the original service. April 18 Client returned the temporary phone set up but still charged as they could not locate the return at the Telco shop</p>	<p>20/06/2018 Telco advised willing to cancel without cancellation fee and reimburse all service charges.</p>	<p>Telco cancelled service so no ongoing charges, however still awaiting reversal of prior charges – estimated credit \$168.00</p>
<p>Nov 17</p>	<p>Client was made aware that her contracts for her 2 x existing phones were due for renewal, client obtained 2 new phones at \$59 per month + \$5 p/mth phone cover, although still with large arrears. Client advised that phones were for free whilst she was on the plan. Client did not understand that she would be charged for the phones if she changed services. Client was charged approx. \$190 cancellation/payment contract balance on one of the prior</p>	<p>20/06/2018 Telco advised this unit/agreement is valid and no adjustment to the agreements will be made</p>	

	phones. No communication was made to the client at the time of the new agreements.		
April 17 to May 2018	Client had 3 rd party charges blocked on her account previously by the Community Centre advocating. Noted charges were still being incurred on the Notepads.	20/06/2018 Telco advised 3 rd party charges were credited	Received credit of \$856.48 on May-Jun statement for returned phone.
Mar 18	Client's daughter's screen on the phone broke. The client was advised that under Stay Connect a replacement phone could be made, however the phone they had was now obsolete and they would have to take the upgraded version at a cost to them of \$190.00. Client was also charged \$513.00 for the original phone, although this was returned at the time the replacement was picked up.	20/06/2018 Telco advised unit was credited	Received credit of \$513.00 on May-Jun statement for returned phone.
July 18	Moneycare is closely monitoring this situation and anticipates further credits/reimbursements of approx. \$1100.00 to occur in the next few weeks pending return of items. This will		

	reduce the clients overall bill by approx. \$2500 as well as reduce the client's ongoing monthly expense by approx. \$220.00		
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Case study – DV survivor cannot get a landline because of a Telstra debt she could never afford

Ms LB is a single mother and victim of domestic violence whose income is Centrelink payments. She was referred to us for help by her case worker, Kathleen, from DCP. Ms LB was signed up to a \$300 per month Telstra plan.

Ms LB went to the local Telstra store (November 2017) asking for one phone and they told her she could get a free tablet (which was enticing as she has small kids), but she would need to get the plan and a second phone.

Ms LB's case worker later accompanied Ms LB back to the store and tried, unsuccessfully, to end the contract. During these negotiations the case worker was told that Telstra used an eight-year old credit check to approve the contract.

Ms LB speaks Creole at home and is not proficient in English. In February 2018, the case worker made a priority application with Telstra (because of Domestic Violence) to get a land line connected at home for Ms LB.

She rang Telstra and was told that this would not be possible until Ms LB cleared the debt from the mobile phone contract, which now stands at \$2,443.