

# Consumers' experiences with telco financial hardship

Qualitative research

May 2023

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# 1 Background and research objectives

The Australian Communications and Media Authority (ACMA) commissioned Roy Morgan to conduct in-depth qualitative research with consumers who had recently been in financial hardship with telecommunication (telco) bills.

This research builds on quantitative research conducted in June and July 2022 with consumers who had been in recent difficulty or concern with bills for essential services (telco, energy, water, banking).

The key objective of this qualitative research phase was to provide further insight into the views and experiences from a range of telco customers in financial hardship on particular priority topics for the ACMA, including:

- ➔ Factors that contributed to telco bill payment difficulty, including personal circumstances and understanding of their telco services and commitments (Sections 4.1 and 4.2)
- ➔ Experiences with direct debit bill payments – when they work and when they don't (Section 4.3)
- ➔ How those in recent financial difficulty or concern for telco bills had tried to navigate those situations by managing their own situation in various ways (Sections 4.4 and 4.5)
- ➔ The awareness of various sources of information, advice and assistance available (Section 4.4)
- ➔ Reasons for contacting or not contacting telco providers, methods of contact for different customers and situations (Section 4.4 and 4.5)
- ➔ How proactive telco providers are in assisting customers in financial hardship (Section 4.5)
- ➔ The assistance offered, their experience of the process and the outcome (Sections 4.5 and 4.7)
- ➔ The experiences of people in financial hardship with digital-only telcos (Section 4.6)
- ➔ The experiences of people in telco financial hardship with disconnection and debt collection (Section 4.8)
- ➔ What works well and what doesn't for those in financial hardship with telco bills (Section 4.9).

## 2 Methodology

Roy Morgan conducted 40 in-depth interviews of approximately 40 minutes in length, with participants defined as 'in financial difficulty or concern with telco bills in the previous 12 months'. All participants were recruited from a quantitative research survey that Roy Morgan conducted for the ACMA in June and July 2022. Participants of the qualitative research had previously indicated in the quantitative survey that they were willing to be contacted for future research.

Interviews were conducted primarily via the video conference platform Microsoft Teams, with some interviews conducted by telephone where participants were unable to use the video conferencing platform. Interviews took place between 19 September and 18 October 2022.

The research design, discussion guide, recruitment script, recruitment, interviewing and analysis were developed and conducted by a team of qualified researchers from Roy Morgan, in close consultation with the ACMA. A copy of the discussion guide used for this research can be provided on request.

Recruitment was managed in a way that ensured participants were drawn from a wide range of demographic backgrounds including age, gender, region, income and telco service provider. A range of experiential targets were also used in the recruitment phase – recruiting people who had reported specific experiences in relation to their telco bills. The full recruitment script and final demographic and experiential breakdown of participants is included in the Appendix of this report. Participants in this research received a \$75 e-gift card incentive.

### 3 Key findings

Participants in this research shared a range of different experiences and opinions about their management of financial hardship with telco bills. The main findings include:

- ➔ The underlying reason that most participants were having difficulty paying their telco bills was the rising cost of living. Other causes of financial hardship included changing work arrangements, personal illness or the illness of family members, or other unexpected expenses.
- ➔ At the time that their contract with their telco provider started, many participants had a **minimal understanding** of what they were signing up for. This was often due to salespeople not taking the time to fully explain the details of contract to them, which sometimes resulted in **unexpected charges** and increases in costs.
- ➔ Direct debit as a method of payment was generally the default option set up at the time the contract started. The payment method had mixed assessments, with some liking it and others strongly opposed to being **forced to use it**. There was a general feeling that direct debit was a **convenient method of payment in perfect and predictable circumstances**, but was more problematic at times of financial difficulty, adding to stresses and incurring extra fees.
- ➔ It was very common for participants to mention cutting back and **making sacrifices elsewhere** to be able to afford to pay their telco bills. This most often involved cutting back on their groceries. Many participants also managed by reaching out to **family and friends for financial assistance**. Charities and financial advisors were less commonly mentioned but were used by some participants.
- ➔ Many participants felt **embarrassed or ashamed** about having to contact their telco providers for assistance with financial hardship, but some felt they had **no other choice**, given their inability to pay their bills. Those who contacted their provider were often unhappy with the long wait times, difficulty communicating with operators, and, at times, a lack of empathy from providers.
- ➔ Participants' preferred contact method varied depending on their individual situations. Those who had more complex problems preferred to contact their provider via **phone** as it allowed them to solve their problems **on the spot**. Online forms of communication like chat bots, online forms or emails were preferred by some, and more so for most of the younger participants, though still not for all situations. Those who suffered from **social anxiety**, or who felt embarrassed, regardless of age, preferred to use online communication methods such as chat bots, online forms or e-mails. Despite this, many participants found the online methods slow – particularly the time it took for providers to respond to e-mails or online forms – while others found them to be **cumbersome** with processes going back and forth and having to wait for responses.

- Use of **digital-only telcos** was rare, but **customers were generally happy** with these providers. It should be noted that none of the participants who used these providers had tried to contact them about acute financial hardship. There was mixed sentiment about the digital-only telco model among non-customers.
- Telcos rarely initiated contact with customers directly to offer advice or assistance with financial hardship. This was something that many participants would have liked to occur. Telcos did, however, send **automated reminders** and alerts about bills being overdue, or in some cases warning of disconnection.
- Participants largely considered the options providers gave them to assist in dealing with financial difficulties (such as payment plans, extensions, or financial hardship arrangements) to be **rigid and inflexible**. The solutions offered often did not meet the participants' needs – in many cases all they were offered was a payment plan or extension. Some participants were left with an ongoing payment commitment that they could still not afford.
- Those who had been **disconnected** noted that their providers generally didn't give them enough notice, or that the communication didn't convey the level of importance that it should have. The effects of disconnection were significant on many aspects of everyday life including work and education commitments. It also limited their social interaction and communications with family and friends. Disconnection was generally **short-lived**, however, and participants noted that it was easy to be reconnected once the required payments had been made.
- While less common, **debt collection** made participants feel intimidated, or stressed. There was a feeling that they were **not given appropriate notice** that this process was going to occur.
- When given the opportunity to suggest how their telco provider could improve in dealing with financial hardship, participants often mentioned proving greater flexibility and tailoring solutions to individual needs. Other suggestions included telco providers being more **proactive** in contacting customers to offer financial assistance and offering **price concessions** to those on low incomes.
- In comparing telco providers to other essential service providers, telcos were seen to have **fewer options available** to customers in financial hardship and were less flexible – particularly in comparison to electricity providers.

## 4 Detailed findings

### 4.1 Issues contributing to bill payment difficulty



**Key finding: Inflation and the rising cost of living were by far the most common reasons for difficulties paying telco bills, with some participants also experiencing work difficulties, illness (themselves or family members), or unexpected expenses.**

This section of the report describes the main issues leading to telco bill payment difficulty.

The main cause of financial difficulty with telco bills was the rising cost of living. Some participants also mentioned changing work circumstances, illness (including mental health) or an unexpected expense.

By far the most common reason mentioned by participants about why they were in financial difficulty with their telco bills was the general increase in the cost of living. Energy bills and grocery bills were most often mentioned as bills that were increasing and putting pressure on household budgets. Increasing costs of telco bills were not often mentioned, but it was a common occurrence that the general cost increases across other household bills reduced the participants' funds from which to pay their telco bills. Participants mentioned that their income was not keeping up with the rising cost of living, which limited their ability to pay household bills generally.

*Overall, there's a been a massive increase cost of living and I've had to prioritise various things just due to the requirements of the government and my own sanity. My job search payment doesn't go anywhere near covering the increase in cost of living. (Participant 4, Male 45–54)*

Many participants also said that a change in their employment situation was an underlying cause of their telco bill payment difficulty. This included some participants who mentioned that they had lost their job or been unemployed. In other instances, being employed on a casual basis meant that participants did not have a stable income. In many cases, this was a direct result of the COVID-19 pandemic.

*I've had some sort of difficulty, which is due to losing jobs because of the whole COVID-19 situation. (Participant 2, Male 25–34)*

There was also mention of family situations, such as needing to look after sick family members (including partners, parents, or children), or not being able to work as much as they would like due to having to look after their children.

*I work, but I can't work that much because my youngest is really not working or doing well at school so he can only attend school part time. So I can only work very few hours during the week. (Participant 25, Female 35–44)*

One-off, unexpected expenses also had substantial financial implications for some participants, affecting their ability to pay telco bills. This often involved medical expenses, but other expenses such as legal bills were also brought up.

*I'm not currently working because of my son's needs, which means if any expenses crop up, my whole budget is out the window. So I prioritise my rent. I haven't been working for a couple of years now. My son is autistic and has an anxiety disorder so it's hard for me to work. (Participant 15, Female 35–44)*



## 4.2 Understanding of telco plans



**Key finding: Many participants had a minimal understanding of the terms and conditions of their telco contract when they first signed up, often due to salespeople not taking the time to explain the contract to them, which sometimes resulted in unexpected charges and increases in costs.**

This section outlines the difficulties caused by the generally poor understanding participants had of their telco plans including:

- the lack of understanding of complicated terms and conditions
- the lack of explanation of the contract by in-store salespeople
- the impact that unexpected changes to plans had on participants.

Most participants seemed to have only a very basic understanding of their telco plans at the time they took out their contract, with many being caught off-guard by changes in terms or increases in costs following an initial discounted period.

*I had a very basic understanding. Good enough to be able to sign for it, but nothing too in depth. (Participant 19, Female 18–24)*

One of the main reasons that participants did not have a detailed understanding of their telco plan was that they did not read through the terms and conditions in detail, if at all. Among those who had made their purchase in a store, many noted that the salesperson did not explain the terms and conditions of the contract to them, but rather told them to read the document directly - a challenge for many participants due to the length and complexity of the terms and conditions.

*They didn't really explain anything. They're like, "oh, just read the contract" and the contract was like 20 pages long and you don't really see what is in there. They kind of hide it in a way. (Participant 5, Female 18–24)*

*Now when you get the terms and conditions they're written in such small font on such small paper and it's just dribble after dribble after dribble, and you think, "can you just put it in clear terms? If you use this amount that's your bill" ... so you just go, "look, where do I sign these, I've got my own pen, there". (Participant 3, Male 45–54)*

As a result of not fully understanding their contract many participants were taken by surprise that their plan increased in price after an initial discounted period. A few participants had signed up for a promotional offer, not realising that the offer was only temporary and would later increase in price. There were also instances where there were unexpected increases in costs for items such as data charges.

*I've noticed that our phone bill, my phone bill has been going up. Even though it's supposed to be a fixed plan. They keep adding little extra fees and things in the bill. And they've changed it since I've started the plan. (Participant 8, Female 25–34)*

One participant mentioned that these lower initial prices can be particularly alluring to those in financial hardship. The appeal of these deals to people on lower incomes, combined with a lack of explanation from sales staff often led to people being caught out with unexpected price rises and charges.

***When you struggle with finance the first thing you're looking at is actually ... if you are getting even a \$10 or \$5 discount, you know, it's a big deal right? So that's what I look at. I don't really go and look at the detail ... what their charges are, how they are charging me for international call or for local call or the data charges or things like that. (Participant 6, Male 35–44)***

Others complained about telcos changing their plans, mentioning that some plans they signed up for were later cancelled and were replaced with plans that they had never signed up for.

***They outline what their plan and their repayments are, but they're sort of vague on it. And then they don't stick to what they promised. So they delete the plans and then they replace them with a more expensive proposition, and they don't leave you an option of grandfathering in the existing clause that you have. (Participant 7, Male 65–74)***

While there was a lot of misunderstanding around contracts and plans, this was not universal. Some participants thought they understood their plans quite well and knew exactly what they were signing up for. They understood their data limits, billing dates and that there was a discount period after which the bill would increase.

***Fairly well, I was aware that it was like \$10 cheaper for the first six months. My plan was, and then it would go up. I think it was like \$69 for the first six months and then \$79 for the rest of the time you're on and that it's like no lock in and if there's any issues, then you contact them. (Participant 28, Male 18–24)***

While rare, some participants also mentioned that they were forced onto plans that included products that they did not need or want, which exacerbated their financial hardship situation. In these circumstances, participants felt that they didn't have choice but to take the plan that was offered to them by the provider. There was no indication that the provider or salesperson was willing to work with the customer to find an option that worked for them.

***The bundle on this phone came with two SIM cards and I said, "look I don't want two SIM cards" and he said, "well that's how it is" and I've gone, "can I get rid of the SIM card?" and he said, "well no it comes with two SIM cards". I thought, right, I just suck it up and go with that. So I had to manage to reduce the cost by "Wi-Fi calling" all the time to reduce that hit. (Participant 3, Male 45–54)***

## 4.3 Direct debits



**Key finding: Direct debit as a method of payment had mixed assessments, with some liking it, and others strongly opposed to being forced to use it. Overall, there was a general feeling that direct debit seemed to be convenient and worked well in perfect or predictable circumstances but was more problematic at times of financial difficulty, adding to stresses and incurring extra fees.**

This section explores participants' experiences and feelings towards direct debit as a form of payment for telco bills including:

- the availability or otherwise of other forms of payment aside from direct debit
- people's mixed feelings towards direct debits and the reasons for these feelings
- the circumstances and negative impacts of direct debit payment failures.

### Choice of payment options

Many participants mentioned that they felt direct debit was the only payment option available to them at the time they began the contract with their telco provider. Some participants went out of their way to avoid paying their bills via direct debit. This was seen as an 'opt-out' process as direct debit was generally the default payment method set up by telcos.

A number of participants mentioned that they did not like being forced onto direct debit as it represented a loss of control. Some participants felt quite strongly about this, and one was particularly angry about having to pay a fee to use a different payment method.

*There are several bills that I pay that I disagree with the parameters in which they get paid. I have the money to pay them, but I object to having to pay a fee because I wish to remain in total control of my bill and get charged \$2 for every bill to Optus because they put that on there. (Participant 16, Male 45–54)*

Avoiding these fees was a common reason for people opting out of direct debit. Other participants stated that they received a discount or incentive for using direct debit, and this was a reason they chose this payment method. This was generally seen as a positive thing.

### Overall feelings about direct debit

Direct debit elicited a very mixed sentiment, with many having a positive opinion of the payment method, while others were firmly opposed to it.

Many participants said that direct debits helped them with better managing their money and budgeting and making sure their bills got paid on time. For some it was convenient that they did not have to remember to pay a bill.

The biggest issue that participants mentioned was the inflexibility of direct debit arrangements. These people liked to be in direct control of their own finances and to know exactly how much money was going in and out of their accounts.

***It makes me nervous when places just automatically take money out of my account. And I like to know where my money is going, at least. (Participant 9, Male 25–34)***

Some participants also mentioned the uncertainty of how much money would be debited from their account when bills were a variable amount. One participant mentioned that direct debits were difficult to set up with the Centrepay system provided by Centrelink.

There was also a feeling that direct debit often meant charges could be applied to their account without prior knowledge or approval, which many participants felt uneasy about. This was sometimes due to variable bill amounts, or in some cases additional charges that were applied to accounts. Some people mentioned their contracts being automatically renewed, and large amounts of money being direct debited from their accounts.

***When our contract ended, we renewed our contract and they automatically direct debited an additional \$400 for the new contract - as three months in advance, that again, wasn't in the contract, that we weren't aware of. And that's when I stopped all of the direct debits. (Participant 31, Female 35–44)***

Some participants felt that direct debit schedules were irregular, which made it difficult to know when the money was going to come out of their account. This often meant that they were left short on funds.

***It seems to change the weeks. Like I say take the payment once a month in this week. Because that's when I get the pension in and it seems it's sometimes not the pension week and that's when it's a difficult thing. I'm all of a sudden short in the bank. (Participant 11, Female 75+)***

Even among those who liked the ease and convenience of direct debit there was recognition that the payment method was flawed when they were in financial hardship. There was a feeling that direct debit seemed to work well in perfect circumstances but was not adaptable when circumstances changed and money was tight.

***It's helpful for some bills. But usually we run such a tight budget that it doesn't always work and then if something fails you get the extra fees of it failing. It can then push you back. (Participant 8, Female 25–34)***

***It's great when it works. When you come across a brick wall, that's when everything sort of falls out behind you and everything falls out of whack. I struggled to get back. (Participant 13, Female 55–64)***

## Direct debit failures

Many participants had experienced a direct debit payment fail for their telco bills because of lack of funds in their account. Often this was due to the date of direct debits not aligning with the participant's pay day. Some participants said that they would prefer other payment options to be made available so they could avoid this problem and pay their bills on their pay day. For others, the direct debits failed due to poor budgeting, overspending in other areas and generally low or variable incomes.

***There's no guarantee that I'm going to have money in my account on any other day apart from pay day. We live week to week. (Participant 25, Female 35–44)***

Direct debit failures had adverse effects on all participants who had experienced them. A common consequence was that participants were charged fees from their financial provider for having overdrawn their account. This posed an additional problem, as they were already in financial hardship. In some cases, participants were charged both a late fee from their telco, as well as a fee from their bank. Failures of direct debit often caused feelings of embarrassment or shame. One participant felt very strongly that direct debit exacerbated the problems for those already facing poverty, including their own personal experience.

***It stuffs everything up. It penalises me further. I lose \$40 which is just gouging from the banks, which then further reduces my ability to pay other bills. It really picks on the poor. I mean, it's only people that have insufficient money in their accounts that get these sorts of fees. Being poor is expensive. There's some complete discrimination against the poor and benefits for those with money. (Participant 4, Male 45–54)***

Several participants mentioned that they had to make sacrifices to meet their direct debits and avoid having to pay the overdrawn account fees. A common experience was to cut back on grocery bills, or other everyday expenses such as fuel.

## 4.4 Other methods used to address or prevent financial difficulties



**Key finding: It was common for participants to reach out to family and friends for financial assistance when they had difficulty or concern paying telco bills. Other sources of help such as charities and financial advisors were also mentioned. In some cases, family and friends were the first source of support, when only small sums of financial assistance were likely to be needed, with other forms of assistance being sought when things were more serious. However, in many cases, participants made sacrifices elsewhere, particularly cutting back on groceries, to make ends meet.**

This section of the report summarises how many participants sought assistance from various sources before and/or after contacting their telco, including:

- reaching out to family and friends for financial assistance
- accessing no-interest loan schemes
- speaking to financial advisors
- using 'buy now pay later' schemes to stagger their payments
- receiving aid from charities
- receiving advice through Centrelink job advisors.

It was quite common to reach out to family for financial assistance, while other methods used to address financial difficulties with telco bills were mentioned less frequently. Most participants asked to borrow money from immediate family members to cover their telco bills, while some reached out for more general advice. Some participants mentioned that they were embarrassed to have to rely on their family for financial assistance.

Some participants mentioned accessing no-interest loan schemes, or 'buy now pay later' services. These were sometimes seen as last resort options as the participants were not eligible for other forms of assistance due to their financial circumstances. One participant mentioned that being on income protection insurance limited their financial assistance options, while another participant mentioned that being referred to a debt collection service similarly limited their options. This type of support was generally sought after the participant had already tried to contact their provider.

A number of participants reached out to financial advisors to assist them with their finances. This assistance normally involved helping participants with their personal budgets, consolidation of debts and other financial advice. One participant, who wouldn't have felt comfortable contacting their telco provider, got advice through their Centrelink job adviser who provided budgeting advice, as well as a financial grant.

Some in particularly acute financial hardship sought assistance from charities. Participants mentioned a number of different charitable organisations from which they had received assistance, including the Red Cross and Anglicare.

*I ended up getting financial assistance through the Red Cross and they were wonderful because it also got to the point where I wasn't comfortable talking to anyone. I was so embarrassed and humiliated about my situation and I didn't know what options were available to me, so they thankfully stepped in and negotiated some things for me. (Participant 34, Female 45–54)*

## 4.5 Contact with telco providers



### Key findings:

- Many participants were embarrassed or ashamed to have to call their telco providers for assistance, but some did if they felt they had no other choice. Other concerns included long wait times, difficulty communicating with operators, and, at times, a lack of empathy from providers.
- Some participants preferred contacting their provider via phone as it allowed them to solve their problems on the spot and seemed easier when the problems were more complex.
- Online forms of communication like chat bots, online forms or emails were preferred by some, particularly those with social anxiety or those who felt embarrassed. However, some participants said this method was slow and at times cumbersome.
- It was rare for telcos to initiate contact with customers directly to offer advice or assistance, however telcos did contact customers via automated reminders and alerts about bills being overdue.

This section of the report details the experiences participants had when contacting their telco provider for assistance with financial hardship, including:

- the high level of awareness of contacting telcos for financial assistance, and how they were made aware of this
- the feelings of embarrassment and anxiety that participants often felt when contacting their provider
- reasons participants chose not to contact their provider
- different methods of contacting providers including over the phone, online and in-store and how these compared
- the rarity of telco-initiated contact.

### Awareness of contacting telco providers

Most participants were aware that they could contact their telco provider for assistance when they were in financial hardship. There was an intuitive understanding that these contact details could be found online. Overall, most participants found the process of searching for this information online relatively straightforward. However, there were some who complained of the difficulty navigating the relevant telco website to find the option and contact details for financial hardship.

*If you go into the website or something, it's not obvious. Like there are some websites and some services which are obvious ... But with mobile I don't think it's obvious. (Participant 6, Male 35–44)*

*Generally just on their website. I've gone in there just to look for the general number, which is now pretty well hidden I think. (Participant 26, Male 35–44)*



Many participants also noted they were aware they could contact their provider as their telco app had a financial hardship or payment extension request option built in. Some others also said they found out about this from either their bills or bill reminder/overdue text messages, which provided a contact number for financial hardship.

***But I do know that on their app, they do have a hardship area. And I'd read that. And there is a contact number there. (Participant 34, Female 45–54)***

While a minority overall, a substantial number of participants were unaware that their telcos could be contacted for financial hardship assistance, such as to organise payment plans and financial hardship arrangements. Most noted it simply had not crossed their mind as an option. Some of these participants were, however, aware they could contact their utility companies about bill payment difficulties. When prompted, many of these participants responded that they would likely just search online for contact details if they were to get in touch with their providers.

On a similar note, some participants who *did* contact their provider were not aware of payment plans or financial hardship arrangement options prior to making the call.

***Not so much with [their provider] - but I know I can do that, say with government utilities, which I do, do it with. Like Council and water and I do a plan with the electricity. I don't do a plan with my communication side of things, no ... I wasn't aware I could do that either. (Participant 14, Male 65–74)***

## Feelings about contacting telco providers

A number of participants mentioned negative feelings around having to contact their telco provider about their difficulty with bill payments. These were typically feelings such as shame, embarrassment, and anxiety. Those who had a longer history of financial difficulties often said that they grew accustomed to contacting their service providers in relation to bill payment difficulties and were less likely to experience these negative emotions.

***As a person who works in finance, it's pretty freaking embarrassing to have to go through that, and it's a bit humiliating, you know? (Participant 31, Female 35–44)***

***[It was] a bit harder to pay my bill ... nowhere near as bad as other people have got it. I know that. But yeah, it is still somewhat emasculating to [contact my telco] ... (Participant 23, Male 35–44)***

***I mean, I probably put it off because I felt embarrassed about it. But then, you know, you get to a point where you're sort of going through bills and things and you need to do something. (Participant 33, Female 25–34)***

However, there was little mention of deliberately avoiding contacting providers due to such feelings. There was a general feeling that due to their financial situation, they had to contact their provider. One participant mentioned they would seek other avenues of help before contacting their telco provider. However, this participant was not aware they could contact their telco to discuss bill payment difficulties prior to the interview.

***No. It sounds embarrassing to me, but I didn't even think about it ... I wouldn't consider it an option. (Participant 36, Female 18–24)***

Another participant mentioned they were only able to call their telco provider with the assistance of a Red Cross support worker. This participant had recently experienced particularly severe mental health difficulties.

***No, I never rang them without the presence of Red Cross beside me because I wasn't emotionally capable because of my ... humiliation. I was too afraid and too ashamed to actually ring them. Previously I had just requested extensions through the app, but when it came to actually physically talking to someone, I had to do it with a support person next to me. (Participant 34, Female 45–54)***

While these feelings rarely stopped participants from contacting their provider, they did affect the methods they chose to contact their provider. Some participants with feelings of shame, embarrassment or anxiety often preferred to contact their provider online, as these negative feelings were exacerbated when talking to a person over the phone, or in a store.

***At a personal level, I mean, it's sort of a bit awkward just to discuss here and now that you have financial issues. I mean over the chat [it's] just a bit easier than talking to a person over the phone like in terms of pride. I prefer chat. (Participant 35, Male 45–54)***

***And that's why I prefer the chat service or like something online because it's actually quicker to deal with and it's just less anxiety for me as well because like what I said, you know, because of my mental health condition. (Participant 20, Male 25–34)***

## Reasons for not contacting telco providers

For those that were aware they could contact their provider to discuss payment difficulties, but chose not to do so, there were a variety of reasons given. The most common themes related to perceiving it as manageable and not severe enough to contact their provider (such as small overdue fees), not wanting to remain on hold during the phone call and thinking they did not qualify for financial hardship. Many of those who thought they wouldn't qualify didn't identify with the 'financial hardship' label, and generally thought there were people in worse situations than themselves. There was also an element of people 'making do' and making sacrifices elsewhere to manage their bill payment difficulties, rather than getting in touch with their provider.

***No, they were just always written down as late payment, so I just accepted it. No, I'm not sure that at the time, it wasn't an amount really worth sitting on hold for half an hour to an hour. (Participant 19, Female 18–24)***

***No, I didn't think I qualified because I felt like I'm not in technical stress because I'm not homeless. I thought financial hardship is like you have to be literally homeless. (Participant 5, Female 18–24)***

## Methods of contact and experiences with telco providers

There were a range of experiences when discussing contacting providers via phone. The most common complaints centred around wait times, including the time taken being transferred to different departments or workers, and difficulty in communicating with those who had strong accents, and in some cases, little knowledge of Australian context. A common factor that exacerbated wait times and delays was being transferred to other people or departments, and sometimes this would happen multiples times during one phone call or for one issue.

***Everything's difficult. Sometimes you're just on hold for 30 minutes, 40 minutes. You then get hold of someone, "Oh sorry, that's not that's not my area I'll transfer you". Then you're on hold for another 30 to 40 minutes. And then they can't help you. It's the old left hand and right hand don't talk. (Participant 39, Male 65–74)***

However, many participants noted phone calls were more useful when it came to sorting out complicated matters. In these cases it was seen as more flexible than online methods of contact.

***So, when it's straightforward, I do prefer text because I'm not a huge fan of phone calls in general. But when it's complicated at all, I definitely prefer voice because there's much less room for misinterpretation. (Participant 15, Female 35–44)***

Despite the common complaints about wait time for phone calls, some participants also mentioned online methods of contact were the least preferable option due to the longer time it takes to communicate. However, the length of time here was not attributed to being on hold, but rather the time it takes to type out their messages, receive a response back, and repeated back-and-forth communication that resulted from misunderstanding of typed messages. This is tied back to the ease of communication that phone calls provide when discussing more complex matters.

***Ah, I just find it, it's hard to communicate what you actually want. And like whole process is a lot slower, because you need to sit down and type it and then make sure what you've got is actually clear, send and then wait for a response, and then if they didn't understand you've got to go through the whole process. It just takes longer, it's just more tiring for me. (Participant 19, Female 18–24)***

However, others did not mind waiting for the online responses, mentioning it actually created more flexibility and convenience of communication.

***So that's why the chat service was very helpful because I can do that and leave it. You know, I can send a message and then leave it and then someone will get back to me ... And then I can just respond to whatever the person said and there's continuity, but in terms of calling, you have to stay there on the phone for like a long time and then of course sometimes you'll get fed up. (Participant 20, Male 25–34)***

This flexibility and convenience factor was further strengthened by the times which they could contact their provider online. A commonly cited advantage of online contact was that it was flexible around people's schedules. Due to some participants' schedules, they found it very difficult to find time to contact the telco's call centres. Online methods of contact provided flexibility around this limitation. 'Chat bot' services were said to be available for longer periods of times throughout the day, and if that was unavailable, participants could utilise email and online forms. Although there was the possibility of having a customer service representative call them back at a more convenient time, some participants noted their schedules might change at short notice, thus making these scheduled call-backs more difficult.

***Some of their services are closed, their billing services are all automatic. So, I can't expect a telco to be open 24/7 for billing inquiries and all that sort of stuff. You know, it was decent enough that I was still able to text somebody and find out what was going on so I could basically rest easy at night. (Participant 26, Male 35–44)***

However, those participants who used an online form or email often reported being disappointed at the slow response time. Therefore, chat bots and app contact methods generally received more positive feedback compared to these online contact methods.

***You can fill in the online form, which is like a contact customer service, but that just takes too long and by the time that they get back to you, your fees have already been applied to your account. (Participant 32, Female 35–44)***

***Sometimes I've probably written in an email as a reminder ... but it's a lot slower, it doesn't have that instantaneous effect that a phone call has. (Participant 4, Male 45–54)***

Some participants also discussed visiting a store to discuss difficulty with bill payments. However, very few of these participants reported receiving direct help from the store employees on this matter. The majority of these participants mentioned they were told to contact their telco provider via another avenue.

***I've done in-store and they're often just referring you to try the online chat or you know, call their customer experience team anyway. I found in store they're more like: "we're just trying to sell phones here, we're not trying to troubleshoot your issues." (Participant 22, Female 35–44)***

***The people in store are just terrible. They just try and flick you out as fast as possible. Unless you're buying a new phone. They literally don't care. (Participant 5, Female 18–24)***

However, these participants also noted in-store employees were very friendly and helpful when making purchases or looking for new plans. A lack of due diligence and helpfulness on behalf of these store sales representatives when it came to issues outside of direct sales seemed to be a common thread for these participants.

Despite the difficulties mentioned, the majority of participants reported being satisfied with the overall number of options that existed in contacting their providers. Most were satisfied with the multiple methods of contacting their provider that existed, but not necessarily the quality of contact itself.

***I can call them, I can email them. I can use the help box on a website. So yes, that's it, I don't think I really need any other methods. (Participant 16, Male 45–54)***

## Telco providers initiating contact

Participants reported that telcos rarely initiated contact with them regarding their financial hardship experiences. When a telco did contact the customer, this generally consisted of reminder texts and emails regarding overdue or declined bill payments. These were almost always automated messages. Many participants also expressed dissatisfaction that they received what they perceived to be an inadequate number of reminder messages (some reported receiving no reminder messages), and that they would have appreciated a direct phone call from their telco. For these participants, this would have greatly decreased their likelihood of missing a payment and receiving an overdue fee.

It was a very rare occurrence for telcos to initiate human contact with the participants in relation to potential financial hardship. The vast majority of participants reported that they had to initiate contact pertaining to financial hardship. A few participants received a phone call only if their bill payment was significantly late and they were at risk of disconnection. Those telco providers that made contact to enquire about assistance were generally smaller telco providers.

***What has worked with [their provider] is that they've given me options to reduce my services. If I'm not able to afford a bigger package they can call me and say, "Well, we notice that you're struggling. We would like to help. This is what we'd like to do." And that way, yeah, my Internet might be slow at certain times of the day, but I'm able to easily afford the amount instead of struggling. (Participant 25, Female 35–44)***

One participant noted that they would like to receive an e-mail from their provider before receiving a phone call from them, notifying them that they were going to call, so that they would know that the contact was legitimate and not a scam caller.

***If you want to send me an e-mail and say listen, one of our service techs will be calling you or, somebody from our billing department will be calling you tomorrow between 2:00PM and 4:00PM. Then when I get that phone call, I know it's not some bloody scammer who's trying to get my bank account details. I would like that. I would like that they call me personally as opposed to just sending me some e-mail. Because as I said, I like one-on-one communication. [Participant 7, Male, 65–74]***

As noted above, many participants said they would have appreciated their telco provider contacting them to enquire and assist them with their financial difficulties. This was especially true for those who had a good track record of bill payments, and only recently found themselves in financial difficulty. These participants emphasised customer loyalty, being treated as a human and alleviating or preventing negative feelings of anxiety or embarrassment.

*Nobody reached out to me at any point and said, “Look, we notice that there's a change here, you used to pay on time and now you're asking for extensions. Is there anything we can help you with?” No one stepped up and did that. And in some ways that would have been nice because as I said at the beginning of this, it was embarrassing and humiliating to have to ring them and say this is where I'm at. I would have felt a level of care if they had said, “we've noticed a change in your behaviour. Is there anything we can do?” But no one did. And at that time, I would have been grateful. (Participant 34, Female 45–54)*

## 4.6 Digital-only telcos



**Key finding: Use of digital-only telcos was rare, but those who used them generally seemed happy with these providers. However, none of those interviewed had tried to contact digital-only telcos about acute financial hardship. Feelings about the digital-only model among non-customers included a mix of positive and negative perceptions.**

This section explores the thoughts and feelings of both customers and non-customers about 'digital-only' telcos. These are telcos that do not have call centres or physical stores, and which can generally only be contacted via online channels such as email or online chat services.

### Experiences of customers

There were only a small number of participants who were either a customer with a digital-only telco or had previously been a customer of a digital-only telco.

Customers with these providers were generally satisfied and had not had any major issues. One participant said that they had tried to contact their digital-only provider to enquire as to why their bill had increased.

*[I was] pretty satisfied to be honest ... it was queries as to why my bill had gone up ... I reached out to them and they answered pretty quickly and I had no issues with that. (Participant 30, Female 18–24)*

One former customer, however, had trouble getting through to their digital-only telco and ended up giving up without making any form of contact with them. They said that they had looked online for their phone number and couldn't find anything. They did not try to contact them via any form of digital means, and simply did not make any contact at all.

While this participant was no longer a customer of this telco, they said that they changed providers due to issues of network coverage, rather than contact options.

None of the digital-only telco customers interviewed had tried to contact their provider to enquire about financial hardship arrangements or payment plans. One participant suggested that despite being satisfied with their digital-only provider in their current circumstances, they would struggle if they were in more acute financial hardship.

*If I was going through really terrible financial hardship and I wasn't able to pay my bill, I think ... I would have had a lot of trouble just dealing with the digital-only platform. I would have preferred to speak to someone face to face or over the phone ... I've only had the occasional bill decline, or the direct debit decline so I haven't really had any need to or want to speak to someone in person or over the phone. (Participant 30, Female 18–24)*

## Assessment of the digital-only model by customers of other telcos

Most participants had heard of the digital telco Belong, but there was very little awareness of the other two digital telcos asked about (Felix and Gomo). The overall understanding of the digital telco model was minimal, with very few participants knowing that some telcos operate in this way, even if they had heard of them by name.

Once the digital-only model was explained to participants, there were many mixed feelings about the model. Many participants said they would be open to trying such providers. A few participants mentioned that the digital-only telco model aligned with their preference for online communication.

***I prefer digital. I don't like talking to people. If you can solve my problem on a chat bot or through email, I'm rapt. But generally they can't. If they could do it and do it right, that'd be the best way to go. I've never spoken to my bank in the last six years. Everything's online or applications cause their applications are great. If you've got the technology to facilitate and support it, then I think that's what everyone would prefer, or I would. (Participant 10, Female 25–34)***

Another perceived benefit of digital-only telcos was the lower costs options that participants assumed would be available, due to the lack of overheads. Some participants said they would be willing to consider digital-only telcos for this reason.

***If their lack of costs pushes into the same lack of costs for someone else, absolutely [it would work for me]. The driver there for you would be if they're cheaper. I do actually prefer to do as much as I can online. (Participant 23, Male 35–44)***

Other participants were less open to the idea, and did not like the idea that they would not be able to speak to a real person when confronted with issues. Many participants said it would be difficult to resolve bill payment and financial hardship issues if there was no ability to make a phone call and speak to somebody.

***Customer service is an important part of things if you get into trouble. I suppose being digital, you could email or text them and get results. That's their customer service. Is that what you're saying? That's the only communication you can get. I wouldn't be comfortable that you get the right result from that. It's like talking to a robot. (Participant 17, Male 55–64)***

Others who didn't like the model said that digital platforms would not be accessible for them due to their difficulties with technology. People who needed help accessing these types of services noted that digital-only telcos would not be an option for them. One participant who suffered from anxiety would not have felt comfortable navigating such a platform, which lacks personalised support.

***I wouldn't do that cause I always have to go in person because I get anxiety and if I'm even on the phone, if there's something ... like I get really confused by like technology, so I always have to get someone to do everything for me if that makes sense. I always need humans to help me with stuff. Because I just get too confused otherwise. My***



*friend's actually with [provider], and they want me to go with [them]. I don't want to go with them. (Participant 24, Female 18–24)*

## 4.7 Payment plans and financial hardship arrangements



**Key findings:** The options that telco providers gave participants to assist them with dealing with financial difficulties and concerns, such as payment plans and financial hardship arrangements, were often seen as rigid and inflexible, and not addressing their issues. For some, extensions or payment plans were the only solutions offered, and still left those participants with an ongoing commitment they could not afford.

This section of the report outlines the experiences participants had with payment plans and financial hardship arrangements. Specifically:

- the inflexibility of telco providers when providing options to deal with financial hardship
- the lack of distinction between payment plans and financial hardship arrangements among participants
- the helpfulness of such arrangements
- the different ways in which these arrangements can be organised, such as over the phone and online.

Many participants complained of rigidity and a lack of empathy when applying for payment plans and/or financial hardship arrangements. It was noted that these options were typically well explained but not particularly tailored to the participants' situation. Many participants stated that the process was very 'mechanical', with there being a limited set of options that they had little say over. The overall experience here seemed to be a 'take it or leave it' approach. Providers were considered to be inflexible and often unwilling to compromise.

*You can't expect them to be 100% personalised, but you can expect to have some personalised outcome. Now, as opposed to that, "there's your lunch – eat it. If you don't like it, well tough luck, go hungry." It's just like "there it is, take it or leave it." (Participant 3, Male, 45–54)*

*So, they offered it to me and I said it wasn't going to be enough. And they said, "well, we'll put you on it anyway. And then you just try your best to pay it in full, in five days". (Participant 31, Female 35–44)*

*They did explain my options, but as I said previously, it would be the thing of I needed a 12-day extension. We're going to give you 9. So, it's still leaves me with no option because you know you're not going to be. They're not willing to compromise on their position. (Participant 1, Male, 25–34)*

Some participants also mentioned that their provider would only defer their bill payment date, rather than providing a payment plan or financial hardship arrangement. This is generally what providers offered to participants when they asked for financial hardship assistance, although in some cases participants asked for it directly.

***They said that I could pay it late and the service wouldn't be disconnected. But that was neither granting my extension, nor declining it. So, I felt a bit sort of unsure what to do, but yeah, it wasn't really that helpful. So they sort of just gave you what their solution was and you had to either accept it or reject it. (Participant 33, Female 25–34)***

The majority of participants ended up having their bill payments deferred or extended, with only a small portion being put onto a financial hardship arrangement. Some participants also seemed not to fully understand the difference between payment plans and financial hardship arrangements. This may help explain why not many participants requested financial hardship arrangements. Many participants were unaware of what options were available to them. Some were happy to receive whatever help they could get.

***Interviewer:***

***And is there a reason you chose a payment plan rather than a financial hardship arrangement?***

***Participant:***

***I don't know, I've never thought of that. I mean, I owed the money and my idea was to just pay it off at a different rate of payment, that was all. It was just the decision that I made and then I had to find someone that would agree with me. (Participant 39, Male 65–74)***

Some participants didn't fully understand the difference between payment plans, payment extensions and financial hardship arrangements. One participant felt that they were all 'pretty much the same thing'.

***Well, they're pretty much the same thing, I mean you get extensions and I'm pretty sure like financial hardship arrangements are when situations have got worse again. Then you know, you got no more extensions to get. You run out of time for extensions. So, then you go into financial hardship arrangements, I think that's how it works. (Participant 35, Male 45–54)***

Despite many participants finding the payment plans and financial hardship arrangement options rigid and not tailored to individual situations, there was still a sense that what was offered to them was helpful to an extent. Some participants said that what was offered was better than having no assistance at all, but they strongly conveyed that things could be improved.

***Well, as I said, they've been obliging enough that when I haven't met my financial obligations, they haven't just dismissed me and cut my service off, which is the way [their provider] would have reacted 20, 30 years ago. These days they've learnt, I think they realise that people are struggling somewhat and they're a little bit more flexible than they used to be. But that's about where it ends. (Participant 7, Male 65–74)***

While many participants reported inflexibility on the part of their telco provider, this was not universal. Some participants were surprised that their telco was helpful with them, noting that it was a relatively easy and straightforward process – where they expected their telco to be more stringent regarding bill payment support. Participants often felt relieved and comforted that they had support options available to them. Smaller telcos seemed to be better in this regard.

*I've never thought of them actually providing that sort of help before. I thought it was sort of like "Well, if you can't play your plan, we'll sort of like restrict your services and wait till you can bloody pay it all off". I usually feel a lot more relieved that they do offer that type of help. (Participant 9, Male 25–34)*

*It made me feel better about the company and my situation. And it also let me know that there were options for me. There was someone I could talk to. They gave me three really good options and either of them could have worked for me. But the fact that I was given a choice and still allowed to have control over what I was doing and feeling that I had control of my choices was important to me. (Participant 34, Female 45–54)*

Many participants also applied through an automated online service, such as an app or chat box. This was a straightforward and quick process for these participants, and many appeared to be satisfied overall using this method. There were a predetermined number of options to select from in terms of financial hardship and payment plan requests. However, it was noted that there were a limited number of times they could access this automated service, before having to ring their telco provider directly.

*For me in my situation that worked 100%, I was very happy with the outcome of that. And doing everything myself automatically like extending due dates, payment plans, all of that online, that worked really well. (Participant 26, Male 35–44)*

*So, what happens is when you do it online, you can pick those options. But if you've already exhausted, you know, if you've already had two types of help in the last I think it's two months or so, they don't do it online. You have to call them. (Participant 32, Female 35–44)*

## 4.8 Disconnection and debt collection



### Key findings:

- Participants who had been disconnected from a service mentioned the significant effects this had on their day-to-day lives including work and education commitments and limiting their communication with family and friends. Disconnection was generally short-lived, and participants were easily able to be reconnected once they had made the required payments.
- While less common, those interviewed who had experienced debt collection felt intimidated by the process and felt that they were not given appropriate notice that this was going to occur.

This section explores the effects that that disconnection and debt collection had on participants:

- those who have been threatened with disconnection, with this often motivating people to take action to avoid disconnection
- how telco providers communicate with customers about disconnection
- the significant impact on the ability of participants to partake in everyday life, including work, education and social interaction, when disconnected from telco services
- the relative ease with which reconnection occurs once outstanding debts are paid
- the negative impact that being referred to a debt collection service has on participants' self-esteem.

### Threats and warnings of disconnection

While few participants had actually been disconnected from their telco services recently, more participants had been threatened by their provider that their services would be disconnected if they did not pay their bills by a set date.

In many cases, this created a sense of urgency, and in some cases stress, in participants, and heightened their need to access help or support, often from family or friends, to pay their bill. One participant noted being 'just hours away' from being disconnected from their home internet, with the warning prompting them to 'jump in the deep end' and contact their provider, despite feeling embarrassed about needing to ask for help.

Some participants mentioned the effect that being disconnected would have on their lives, such as hindering their social connections, disrupting their income streams (either through losing the ability to work, look for work, or losing the ability to access government payments), and affecting their education.

*It would have been difficult because obviously it's how people communicate now. I was looking for work, how would someone contact me? Can you imagine the embarrassment of you applying for a job and somebody ringing up and then hearing that "I'm sorry, this number is not available"? Oh my God. That would have just that*

***would have been the worst. So, how would it make me feel? Yeah, pretty ordinary. (Participant 34, Female 45–54)***

Some participants who relied on government payments for their income noted that access to the internet was essential for them to access their payments, and in many cases, they prioritised this bill over others as they could not afford to be disconnected.

***Without access to the internet I can't access unemployment benefits. Pretty much you have to do everything through MyGov nowadays ... it has to take priority, and also looking for work to comply with those things to report online, I have to have an Internet connection. (Participant 4, Male 45–54)***

These effects were a driving force for participants to take immediate action to prevent disconnections from occurring.

***If I get a disconnect notice, then I will contact them. Beg them to give me another fortnight or something ... you know, it's uncomfortable to do it. Embarrassing. It's humiliating and frustrating. (Participant 13, Female 55–64)***

## Communication regarding disconnection

All participants spoken to who had been disconnected recently were dissatisfied with the way their provider communicated with them to advise them of their disconnection. Participants noted that their providers did not always give them adequate time between their disconnection notice and the actual disconnection. The means of communication was also criticised, with disconnection warnings and notices generally coming via text message or email. One participant noted that they did not even see the email until after the disconnection had occurred, as they received many emails and often did not have time in their busy life to read them all in detail. Another participant did not even realise that they had been disconnected until they tried to make a phone call.

***From memory I just like tried to call a number, which is like a helpline for like bills, you know, like to community services to help me with my situation. And then I couldn't call them. And I was like, "what's happening? Why can't I call anyone?" And then that's when I learned that, you know ... (Participant 20, Male 25–34)***

There was also a broad consensus that more could be done to forewarn customers about the possibility of disconnection prior to it occurring. One participant would have preferred a phone call from their provider, as a text message did not convey an appropriate level of seriousness and was lost among the many other marketing and direct communications from the telco provider.

***There was no warning, I was getting text messages saying that they've tried to contact me, but, for me, that means making phone calls, because even the bank will make a phone call and even if it's an automated, you know, press 1, if you're going to pay within the next six days sort of thing. There was nothing like that. It was just a "you've missed a payment and we have now therefore cancelled the account, you now owe the full amount". (Participant 25, Female 35–44)***

## Effects of disconnection

While disconnection was rare among the participants, when it did occur it usually had a considerable effect on their lives. It was clear that telecommunications have become an essential part of life, with the requirement to communicate with others either online or over the phone. This meant that disconnection from telco services noticeably disrupted their daily life and routine.

It was mentioned by some that the pandemic had made them more reliant on their telecommunications services, so being disconnected affected them more acutely during this period, including the inability to access home schooling.

***Kids these days don't know a world without internet. So, it was quite difficult, cause with the home schooling. I think during that time, home schooling and other stuff they needed, as well as myself, it was difficult. (Participant 32, Female 35–44)***

Disconnection also had an effect on people's livelihoods, with one participant mentioning being unable to take calls from work, or let their employer know of their availability to work, which had an effect on their ability to earn an income as a casual worker.

***Work was the most thing that I was concerned about because I was doing casual work ... I need to be able to call them and say, "Hey, I'm actually available to work today". (Participant 20, Male 35–34)***

In addition to work and education purposes, being disconnected also had an effect on participants' mental health and emotional wellbeing. Some participants mentioned that being disconnected cut them off from communicating with family or friends and left them with a feeling of shame or embarrassment. Some participants had to resort to asking family or friends for money to pay their bill and have their service(s) reconnected, which also provoked shame and embarrassment.

Some participants did not have easy access to other forms of communication when they were disconnected. This left them feeling desperate and despondent. One participant had to resort to using public phone boxes to communicate with others during harsh pandemic restrictions.

***Very hard, very unfortunate. You know, having to go to the nearest payphone to ... despite, you know, restrictions. I believe at one point I was even stopped by a police officer. They were wondering what's my reason for leaving [home]. (Participant 40, Male 35–44)***

## Reconnection

Most participants noted that being reconnected to their telecommunication services was not difficult once they had made the required payments. Disconnection was often a situation where participants would reach out to other sources of help such as family and friends, given the significant effect disconnection had on their day-to-day lives. This generally involved asking for financial assistance rather than emotional support. In one case, once the service was disconnected the participant tried to organise a payment plan to pay out the device but did not attempt to reconnect to the service. This

was due to lack of funds and an inability to pay. However, this participant noted that they had other services available to them.

## Debt collection

Debt collection was also a very rare experience among participants. However, of those interviewed who experienced debt collection, it was always a very negative process that affected their mental wellbeing and emotional state. One participant described the process as intimidating.

***It's so intimidating being chased by them, you know. But I did, I did, eventually call them back when I was ready to pay my bill, when I had the financial funds to pay it. (Participant 32, Female 35–44)***

Similar to the disconnection process, participants were generally told about their referral to a debt collection service via an email or a text message. Some participants indicated that a phone call may have been preferable in this situation.

***It didn't work that they sent me for collections, without actually informing me or calling me that this is actually a serious matter you need to do something or whatever or call us before we send it for collection, like a due date or something. (Participant 20, Male 25–34)***

There was also a feeling of frustration that the telco provider did not provide the participants with any forewarning that they would be referred to a debt collection service. The communication was received after the referral had occurred, and it originated from the debt collection service, rather than the telco provider.

One participant mentioned that their debt collection issue was eventually resolved by their telco, with the telco waiving the total amount that was due – though they were not told of the reason it had been waived.

Debt collection was also problematic as it limited people's options to receive financial assistance or loans, including interest-free loans intended to assist those in financial difficulty. In one case, a participant mentioned that no-interest loan schemes would not approve loans if people had been referred to a debt collection service.

***If you're also asking about like other services that I had to contact in order to make the payment, yes, I did try some organisations like the no interest loan schemes and stuff. They can only help if it hasn't been sent for debt collection. (Participant 20, Male 25–34)***



## 4.9 Satisfaction and suggestions for improvement



**Key findings: Suggested improvements from participants included greater flexibility and tailoring of solutions for those in financial hardship, telcos being more proactive in contacting customers to offer assistance and offering concessions for those on low incomes.**

Participants were asked to provide feedback on what worked and did not work for them and were also given the opportunity to provide suggestions for improvement. This section details:

- things that worked, including where telcos provided solutions that met participants needs and treated them with empathy and respect
- things that didn't work, including the rigidity of telco providers and lack of options provided
- participants suggestions for improvements, including providing greater flexibility and offering concessions for financially vulnerable customers.

### Aspects that worked

Participants largely had different ideas about what worked and what did not work overall, which was based on their own personal preferences. Some participants said that online chat services and online communication worked really well for them and made dealing with their situation convenient and simple. Others said that direct communication and speaking to another person via phone was straightforward and easy for them. Those that preferred communication via phone often brought up the positive customer service, empathy and friendliness of the call centre operator they spoke to.

Of the options for financial hardship assistance that were presented to participants by telcos, preferences were largely dependent on the participants' own personal preferences and circumstances. Some participants preferred being able to pay their bills in instalments, while other preferred the ability to have their due date extended. Flexibility and tailoring of options to the customer's needs and preferences was noted as being a more helpful and successful approach.

There was a broad consensus among those who were directly contacted by their provider that this worked well. Participants always appreciated their providers being proactive in dealing with their issues, and this often saved the participant from being anxious or embarrassed.

***I think that the text messaging and the notification that my bill was declined was helpful because I wouldn't have known otherwise. (Participant 29, Female 55–64)***

***I definitely do think that they do offer the right kind of help, like being able to get that two-week extension without having to ask, or having to feel guilty is a really good thing. I haven't really contacted them about financial hardship. (Participant 5, Female 18–24)***

Participants also appreciated when their providers went through their options with them and tailored solutions to meet their needs. These included reducing services, or re-assessing plans or packages to remove things that may not be needed.

***Going through all the services that we were being provided with and making suggestions of things that we might be able to do to reduce our costs, such as removal of SIM cards from tablets. Taking the mobile phones that we have existing off rental plans and onto a use only service. They were very useful things. (Participant 12, Male 45–54)***

## Aspects that did not work

The most common response participants gave when asked to explain, at a high level, what did not work for them, was the inflexibility of telco providers. This included rigid contracts that did not allow for changes in customers' circumstances, and limited their options for getting assistance that may work best for them.

Many participants found it difficult to negotiate with their telco providers in times of financial hardship and found that providers did not offer flexibility to suit the customer's personal circumstances. This often meant the telco provider not taking into consideration factors such as when the customer gets paid.

***The rigidity of the rules that they need to follow. I understand, you know, that you can't just throw out credits and that sort of stuff but being entirely unwilling to bend as opposed to break the rules. (Participant 23, Male 35–44)***

## Suggestions for improvement

Participants had a wide range of different ideas or suggestions for telcos to improve the way they deal with customers in financial hardship. Some of these suggestions related to different types of concessions providers could offer, as well as different payment options, through to the standard of customer service.

Many participants, particularly those who were reliant on government payments as their main source of income, suggested that telco providers could provide concessions such as more affordable plans or discounts for pensioners, people with a disability or low-income earners. In some cases, participants said that such concessions were available with other sectors.

***It's hard when I'm on a pension ... this is something that all telecommunications should do if they can do it. Why can't telecommunications offer pensioners a discount? (Participant 37, Female 45–54)***

Many participants suggested that telcos should be more flexible with the types of payment and financial hardship options available to consumers. Examples of different payment options suggested were more frequent bills to better align with customers' payment cycles, increasing the flexibility of payment extension timelines and discounts for paying more upfront if the customer has more money available

at a particular time. One participant mentioned 'bill smoothing' where overdue amounts could be apportioned across a number of future bills to lessen the effect.

***I think you can do it with council rates and stuff, you do what's called "bill smoothing", where they spread the overdue amount out over a couple of bills instead ... and offering that without penalising the person and putting them in further strain. I think that would be a massive help. (Participant 31, Female 35–44)***

A number of participants also said they would like telco providers to be more proactive in initiating contact with customers who they suspect may be in financial hardship. One participant noted that this could also help uncover potentially severe and distressing underlying causes, where people may also need other types of assistance.

***But if they just had some kind of customer care team that got triggers that ... picked up changes in payment behaviour where they could reach out to people. I mean, imagine if it's someone in a domestic violence situation or something like that where they don't have access to their money. All their money's being controlled and then you know if someone just reached out to them the effect could be fantastic because this could be highlighted and you know, they could get further assistance, not just be paying their phone bill, but other assistance. Well there's lots of reasons why people could be missing their bills. It could be an older person who's on their own and getting dementia. There's lots of things that could be happening in this person's background that creates this change in payment behaviour. (Participant 34, Female 45–54)***

Others said they would like the call centre operators to be more understanding of the situations that people in financial hardship face, and to be more empathetic in their dealings with them. It was sometimes noted that there was an emotional disconnect between the call centre operator and the customer, and they did not seek to empathise with the customer at all.

***I think they've probably got to have their people more attuned to some of the difficulties, what people are experiencing. I know that people are finding it a lot harder these days and you're probably a little bit embarrassed sometimes to go and ask these questions when you shouldn't be. I think they've got to have their people who they've got in their call centres ... better trained with options or picking up when they have discussions with people that there could be some issues here and we better just follow that up down the track. (Participant 14, Male 65–74)***

## 4.10 Cross-sector comparison



**Key finding: Telco providers were generally seen as being less well-equipped with less options available, and less flexible than other essential services, particularly electricity providers, when dealing with customers in financial hardship.**

This section of the report compares participants experiences with telco providers to their experiences with providers of other essential services such as electricity, gas, water and banking.

Almost all participants were in financial hardship with bills for other essential services, as well as telco. This most commonly included energy bills such as electricity and gas, but also other essential expenses such as housing costs (typically rent, but also mortgages). There was an array of different comparisons made between how telcos and providers in other sectors handle financial hardship. More often than not, however, participants said that other sectors were better than telcos at addressing financial hardship.

Electricity and gas providers were seen by most as more flexible and more understanding. Some participants said that they were more empathetic and would ask more questions about the participant's situation to be able to better assist them.

*Telco is definitely worse. Our energy providers are super lovely ... They'll actually contact me and be like, "Hey, we just want to know, like, what's going on with your bill? Are you alright?" They give you lots of advice. You could just contact them and say, "Hey, I can't pay this bill" and they're really easy about it. (Participant 5, Female 18–24)*

*The electricity provider and bill payment lines and that sort of stuff are decades ahead in customer service and ability. I literally called through, had like a 15-minute chat with the girl at [their energy provider] and they jumped up and down and said, "Hey, no problem, we can ensure there's no extra fees". The woman literally broke it down with me, "Hey you've got a smart meter, we can see the times you're using the most power". They were miles ahead. (Participant 23, Male 35–44)*

Comparisons were also made to landlords and paying rent, with some participants also noting greater flexibility here. One participant noted that landlords have a more individualised, personal relationship with tenants, whereas telco providers have many customers, and see people as 'just a number'.

*That was really a very trusting conversation. We know you'll get around to it. We know you're not going to mess us around, so when you're in a more comfortable position just pay us what you owe us. But they are a dime a dozen customers for telcos. With the landlord, they know me on a more personal level, whereas on a telco, you're just a number. (Participant 2, Male 25–34)*

# Appendix

## Recruitment structure

### **DEMOGRAPHIC STRUCTURE**

	<b>INTERVIEWS ACHIEVED</b>
Male	18
Female	22
18–24 years	6
25–34 years	8
35–44 years	9
45–54 years	7
55–64 years	6
65+ years	4
<\$40,000 HH income*	22
>\$40,000 HH income*	17
Live in a capital city	28
Live in a regional area	12
Main income from government payment	18
Service provider is not Telstra or Optus	16
Speak a language other than English at home	10

\* Note one participant's income was recorded as prefer not to answer

**EXPERIENTIAL STRUCTURE**

	<b>INTERVIEWS ACHIEVED</b>
Disconnected from telco service	14
Threatened to be disconnected from telco services	4
Unaware could contact telco provider for assistance	6
Aware of FHA but not on a FHA	21
Rejected from financial hardship arrangement for telco services in previous 12 months	5
Pay bills via direct debit/direct debit failed	23
On a financial hardship arrangement (that includes aspects other than just, or instead of, a payment plan) for telco service in previous 12 months	10
On a payment plan (not within a formal financial hardship arrangement) for telco service previous 12 months	9
Has/had a telco service with a digital-only telco (Felix, Gomo, Belong, Circles.Life)	5
Has been the subject of debt collection process	2