



Telecommunications
Industry
Ombudsman

Submission to the
ACMA's proposed
Telecommunications
(Financial Hardship)
Industry Standard
2024 consultation
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Introduction

Thank you for the opportunity to comment on the Australian Communications and Media Authority's (ACMA's) proposed *Telecommunications (Financial Hardship) Industry Standard 2024* (the **Standard**).

We support the introduction of measures to further protect consumers who may be facing experiencing financial hardship, and we welcome the introduction of robust direct industry regulation in this space.

Complaints about financial hardship are an important focus for us because their impact on consumers can be severe, and they often affect the most vulnerable members of our community. Due to the essential nature of telecommunications services and the current cost of living challenges being faced by Australians¹, it is vital that consumer protections are appropriate to support consumers experiencing financial hardship to pay their bills and stay connected.

In 2022-23, we received 1,634 complaints about financial hardship or payment arrangements, up from 1,615 in 2021-22 in the context of overall declining complaints.² Most of these complaints related to mobile services.

Through our complaints we find that the current consumer safeguards around financial hardship are leading to some consumers being disproportionately impacted by telcos' practices. Financial hardship assistance is most effective when offered early and tailored to a consumer's circumstances. Approaches like offering rigid payment methods, inflexible payment plans and a general lack of hardship assistance can lead to consumers being unreasonably disconnected from their telco services, limiting their ability to effectively participate in society.

Our submission gives feedback about the proposed Standard and highlights key areas that we see could be strengthened or expanded further. Our feedback is informed by our unique perspective from both our complaints handling and systemic investigations work.

In preparing our submission we have referred to our systemic publications on financial hardship: *Responding to consumers in financial hardship*³ and *Thematic review of our financial hardship complaints 2021-2023*.⁴ We have also drawn on our recommendations to the current review of the Telecommunications Consumer Protections Code Review.⁵

We look forward to the outcome of the ACMA's consultation. We will continue to work with the ACMA, government, our members, and key stakeholders to support fair and reasonable outcomes for telcos and their consumers experiencing financial hardship.

Cynthia Gebert
Telecommunications Industry Ombudsman

¹ See Australian Bureau of Statistics, CPI index (September Quarter 2023), [Selected Living Cost Indexes](#) (September 2023).

² Page 86, TIO Annual Report 2022-23.

³ TIO Systemic Investigation Report, Responding to consumers in financial hardship, September 2021.

⁴ TIO Thematic Review, Our financial hardship complaints 2021 - 2023, April 2023.

⁵ TIO Submission to 2024 Telecommunications Consumer Protections Code Review.

1. We support the ACMA's proposed Standard

1.1. We support the Standard's focus on the flexible identification of, and response to, financial hardship

We welcome the introduction of the Standard, which supports key consumer safeguards around financial hardship through direct and enforceable regulation. In particular, we support the way the Standard promotes further accessibility and transparency around financial hardship practices. It is essential that consumers can easily engage with telcos' financial hardship processes, and that written hardship policies are accessible and transparent for consumers.

To this end, we welcome the prohibition on telcos including multi-step processes that unreasonably delay or prevent a consumer from being assessed for eligibility to receive hardship assistance, or from submitting an application for assistance, as outlined in section 11(g). This is an important inclusion that can reduce onerous barriers for consumers who are often seeking urgent assistance. Making the application and assessment phase of the process for hardship support as straightforward as possible ultimately fosters efficient hardship processes and facilitates quicker outcomes for telcos and their consumers. Similarly, we support the section 8(1) requirement that a telco's financial hardship policy must be easily accessible to the public via a direct hyperlink on the telco's website homepage and on the landing page of their app.

We also support the Standard's increased focus on telcos creating tailored approaches for their consumers who are facing hardship, as outlined in sections 5 and 18 of the Standard. Personalised financial hardship assistance is an integral part of supporting consumers who struggle to pay their telco bills, as hardship can have many different causes and every consumer will have different capacities to pay. When coupled with the Part 5 obligations around regular staff training on financial hardship, we believe these rules will promote better awareness of hardship and will lead to a more empathetic and effective response from telcos.

Where credit management action is required, we support the section 24(5) extended period before telcos can restrict, suspend, or disconnect a consumer's service, which has increased from the current five business days outlined in the *Telecommunications Consumer Protections Code (TCP Code)*. This new timeframe will better enable consumers to seek support from their telco or other relevant body (such as a financial counsellor) to manage their telco costs and stay connected.

Similarly, we support the inclusion of rules that will assist telcos and our office in resolving disputes involving financial hardship, such as the transitional arrangements and the record keeping and retention rules. We see complaints from consumers who say their telco had no record of a hardship arrangement, or that the arrangement did not reflect what the consumer believes had been agreed.⁶ Clear record keeping and transitional requirements assist both telcos and our office to deliver timely, fair and reasonable outcomes in complaint handling.

⁶ Page 19, TIO Systemic Investigation Report, Responding to consumers in financial hardship, September 2021.

2. We support the minimisation of barriers to financial hardship assistance

While the proposed Standard is an improvement on the current consumer protections for financial hardship, we have identified several opportunities where the Standard could further support its objectives to assist consumers experiencing financial vulnerability.

2.1. The definition of financial hardship could be broadened

We support a broad definition of financial hardship that captures all consumers who may need help. All consumers should have access to some form of financial hardship assistance when they are unable to discharge their financial obligations owed to their telco.

The current definition of *financial hardship* in section 5 includes a list of root causes as to how the consumer became unable to pay their telco charges (for example, illness, unemployment, or reduced income). We suggest this element of causation could be removed from the *financial hardship* definition, as the reason why a consumer cannot pay their telco charges should not be relevant to whether that consumer is entitled to hardship assistance.

While the list of reasons may help guide telcos on possible elements to consider when proactively identifying financial hardship, we foresee additional circumstances that may not fall within the specified list (such as a death of a close friend), and there is a risk telcos may exclude consumers whose reasons fall outside this list, or whom are unable to attribute their financial difficulties to a specific cause. The option of 'other reasonable causes' in the *financial hardship* definition may not fully address this issue, as it grants telcos some discretion to deem the consumer's financial circumstances as being unreasonable.

Similarly, a consumer's personal belief about discharging their financial obligations to their telco should not determine whether they meet the definition of being considered in financial hardship.⁷ Such an approach may restrict some consumers from accessing hardship assistance, depending on their personal understanding of their capability to pay. For example, some consumers may engage a financial counsellor representative to help them manage their finances, and may be unsure of their capacity to pay.

2.2. Financial hardship assistance should be extended to consumers who no longer have access to their services

We also see scope to broaden the definition of *financial hardship assistance* in section 5. The proposed definition is limited to assisting a consumer to 'continue to access their telecommunications products', however it is likely we will see complaint scenarios where this does not apply.

For example, we commonly see complaints from consumers who have cancelled their mobile service with their telco but continue to have obligations to pay for the mobile handset equipment bundled with that service. In these circumstances, the consumer will not require assistance in continuing to access their telecommunications products, but may require assistance in managing their remaining payments. To assist in cases like these, we recommend expanding the *financial hardship assistance* definition to include circumstances where a consumer may not wish to continue to access telco products and services.

⁷ Page 20, TIO Submission to 2024 Telecommunications Consumer Protections Code Review.

2.3. Evidence of hardship should only be required in limited circumstances

Section 16(3) of the proposed Standard outlines when a telco can request evidence from a consumer to show they are experiencing financial hardship. While it is reasonable for telcos to obtain evidence when tailoring appropriate hardship assistance based on a consumer's circumstances, we recommend that evidence should not be required to determine initial eligibility to that assistance.

Such a process could exclude some consumers who are unable to provide information, but who urgently need support and assistance. For instance, a consumer experiencing housing insecurity may not have supporting documents readily available to send to their telco at short notice. In these situations, the uncomplicated access to prompt hardship assistance can remove barriers, help avoid further escalation of the issues for the consumer, and prevent complaints being made.

2.4. Telcos should ask consumers about the hardship assistance they require

We recommend that the Standard should include a more flexible approach around tailored financial hardship assistance. We support the obligations in section 18 of the Standard (which require telcos to provide realistic, appropriate, and tailored assistance to consumers) because our case handling experience has shown us that consumers can refuse assistance, experience further detriment, or raise complaints when telcos adopt a rigid approach to financial hardship. To further achieve this, the Standard could require telcos to ask consumers about the assistance they believe they require, and accept what consumers ask for if it is reasonable in the circumstances. Consumers often understand their circumstances best, and we encourage telcos and their customers to openly discuss what hardship arrangements are suitable and realistic.

Our 2021 systemic investigation report⁸ observed that effective hardship arrangements must factor in consumers' circumstances. We found that some telcos work closely with consumers to find the best way forward. On the other hand, consumers also tell us telcos make unsuitable offers that do not factor in their situation. There is a risk consumers may accept generic offers of assistance for the short-term benefit of keeping their services connected. However, the short-term benefit may only delay, rather than help overcome, a consumer's financial problems. A tailored, self-determined approach is key to achieving appropriate and effective hardship assistance.

2.5. Expanding customer service channels when speaking with a telco

The consultation paper asks stakeholders to consider how the Standard's phone contact requirements could impact digital-only telcos. Through our complaint handling and broader systemic investigations, we regularly see the importance of telcos having appropriate channels for consumers to contact them.

Many of our systemic investigations over the past three years involved inaccessible customer service channels and incorrect or unclear communications from telcos.⁹ Problems consumers experienced included being unable to contact their telco due to long call wait times and being transferred between departments, or having to communicate with chatbots who were unable to resolve their concerns.

⁸ Page 15, TIO Systemic Investigation Report, Responding to consumers in financial hardship, September 2021.

⁹ Page 11, TIO Systemic Investigation Report, A time for change – Three years of systemic investigations in review, June 2023.

Financial hardship can be complex, and consumers experiencing financial hardship may also be experiencing other vulnerabilities that the telco may need to be aware of (for example, domestic or family violence). Expecting a consumer to communicate their personal circumstances either via email or through a chat is a potential barrier for consumers accessing help. Often these consumers need to be treated with sensitivity and empathy, which can be difficult to achieve when they are not speaking to a 'real' person. These digital customer service channels may also present a barrier to the telco fully understanding their consumer's circumstances and offering tailored and suitable assistance.

In May 2023, the ACMA released its report on telco financial hardship informed by its quantitative and qualitative research.¹⁰ The report highlighted barriers faced by some consumers when trying to reach their telco for help. Hurdles consumers experienced included communication challenges with frontline staff, feeling uncomfortable, little understanding provided by telcos, and lengthy waiting periods.

Whatever problem a consumer is experiencing, it is critical that they can easily contact their telco for help.¹¹ Telcos should be required to provide telephone contact channels for their consumers, and at a minimum, offer their consumers a callback function. Having easy-to-use contact channels for consumers can ultimately enable telcos to resolve enquiries and complaints faster.

Case study 1: Rita's provider made it difficult for her to discuss hardship options*

Rita had a mobile phone and internet service with Monsoon Mobile. She began experiencing severe financial difficulties when she and her children left her violent partner.

Rita contacted Monsoon Mobile to discuss her financial options. Using their online chat service, she explained her circumstances to Monsoon Mobile and asked for a payment plan. Monsoon Mobile offered her a plan she could not afford. Monsoon Mobile then did not respond when she asked them to consider her circumstances.

Rita continued to struggle with her payments, and Monsoon Mobile disconnected her services. Rita contacted Monsoon Mobile again for assistance, but Monsoon Mobile again did not respond.

Ultimately, Rita had to contact our office to get Monsoon Mobile to speak with her. After we referred Rita's complaint, Monsoon Mobile reached an agreement with Rita, and accepted a payment plan for the amount she initially proposed.

** Names of all parties have been changed. This case study first appeared in our 2021 Systemic Investigation Report 'Responding to consumers in financial hardship'.*

¹⁰ ACMA Report, Financial hardship in the telco sector – Keeping the customer connected, May 2023.

¹¹ Page 11, TIO Systemic Investigation Report, A time for change – Three years of systemic investigations in review, June 2023.

Case study 2: Yvonne was not able to reach her telco to ask for financial hardship assistance*

Yvonne is a pensioner and government Centrelink payments are her main form of income. Until recently, she had a mobile service with BranchTel. Late last year Yvonne began struggling financially. Her fortnightly rental payments had increased, and she could no longer afford to pay for her BranchTel mobile service.

Because she could not afford it anymore, Yvonne cancelled her mobile service. Yvonne knew cancelling her mobile service would cause BranchTel to add an extra fee to her BranchTel account to pay off remaining charges for her mobile phone. The extra charges turned out to be about \$900, which Yvonne could not afford to pay all at once.

Using her landline, Yvonne called BranchTel to ask for help. BranchTel assigned a staff member to speak with Yvonne, but the staff member did not contact her and did not return her calls. Yvonne contacted us, and we referred her complaint to BranchTel.

After we contacted BranchTel, it resolved Yvonne's complaint by reducing her final charges to \$400 and setting up a plan to pay the charges off in weekly instalments over four months.

** Names of all parties have been changed. This case study first appeared in our 2023 systemic report 'Thematic review: Our financial hardship complaints 2021 – 2023'.*

2.6. Phasing out the language of financial hardship

We also see an opportunity for the ACMA to consider using alternative language in the Standard. The language of "financial hardship" could be replaced with more accessible terminology, such as "consumers anticipating or facing payment difficulties".¹²

The use of the phrase "financial hardship" can create hurdles for consumers who do not wish to be categorised in this way, or who may not believe they fall under the definition. Often consumers describe their circumstances in different ways, such as "struggling" or "having trouble paying".

3. We recommend a strengthening of proactive obligations for telcos

We welcome the Standard's focus on telcos proactively identifying consumers who may be affected by financial hardship.

Our 2021 systemic investigation report found that financial hardship can be difficult for consumers to talk about.¹³ Consumers may not always recognise they are heading towards hardship until after their bills have become unmanageable. When hardship arises from difficult personal circumstances such as unemployment or family violence, the emotional impact of the hardship can make it hard for consumers to seek help. Similarly, if a consumer has become unwell or overwhelmed with other expenses, they may not prioritise their phone or internet bills.

¹² See Part 6 'Assistance for residential customers anticipating or facing payment difficulties', Victorian Energy Retail Code of Practice.

¹³ Page 11, TIO Systemic Investigation Report, Responding to consumers in financial hardship, September 2021.

While we welcome the Standard's proposed objectives, we have identified opportunities for the Standard to increase proactive obligations on telcos, to ultimately facilitate greater assistance for consumers experiencing hardship. It is well accepted that early intervention in cases of financial vulnerability can lead to better outcomes for both consumers and telcos and reduce the likelihood of a consumer needing to raise a complaint. However, we do not always see this occur in practice.

3.1. Expanding options for proactive identification of financial hardship

Payment assistance is most effective where telcos proactively identify consumers who may need help and offer assistance early, before their circumstances become unmanageable. When telcos are identifying consumers experiencing hardship (sections 14 and 15), we see an opportunity for the Standard to establish greater proactivity and clarity around this important process.

The Standard should clarify in section 14 what 'A provider must take *all reasonable steps necessary* to identify financial hardship customers' means, for example by including a non-exhaustive list. This would provide some definite guidelines and ultimately give all parties greater certainty about this requirement. If this cannot be addressed within the Standard, the ACMA could provide guidance to telcos and stakeholders outside of the Standard where needed.

Greater guidance and obligations for the proactive identification of consumers experiencing payment difficulties would be consistent with obligations applying to other suppliers of essential services. For example, in the Victorian retail energy sector suppliers must contact consumers and help when certain conditions are met, such as the consumer having more than \$55 overdue on their account.¹⁴

The Standard should require telcos to have systems in place to proactively identify consumers who may need help and offer them support. For example, if a consumer has missed several payments or have debt reach a certain threshold.

3.2. Expanding options for proactive financial hardship assistance

Under the current TCP Code, telcos can consider their own technical or operational preferences before an individual consumer's needs when determining what assistance to offer. We receive complaints where a consumer was refused appropriate assistance because of the kind of account or billing system their telco uses (such as automatic payments).¹⁵

It would be useful for the Standard to clarify in section 18 that it requires the mandatory assistance options to be available to all of a telco's customers included under the Standard, irrespective of the telco's system limitations (such as those imposed by the telco's choice of billing system).¹⁶

Additionally, under the *options to help with payments* definition in section 5, the Standard should also include an option for telcos to refer their consumers to a qualified financial counsellor.

3.3. Responding to changed circumstances

When a consumer's circumstances change unexpectedly, their telco should be ready to provide appropriate support, especially when an existing payment arrangement is in place. If a consumer

¹⁴ See rule 129(2), Victorian Energy Retail Code of Practice; section 44(a)-(b), National Energy Retail Law, Schedule to the National Energy Retail Law (South Australia) Act 2011.

¹⁵ Page 23, TIO Submission to 2024 Telecommunications Consumer Protections Code Review.

¹⁶ Page 25, TIO Submission to 2024 Telecommunications Consumer Protections Code Review.

suddenly loses their job, experiences serious illness, or finds themselves without secure accommodation, these hardship challenges can impact their ability to sustain an existing payment arrangement with their telco. We see complaints where the telco refuses to alter an existing payment arrangement when a consumer's circumstances change.

We welcome section 22 requiring telcos to review financial hardship arrangements when a consumer informs them of changed circumstances. The section could be expanded to ensure that telcos are not only required to review existing arrangements, but are also required to revise and tailor an existing arrangement in response to a consumer's changed situation. This would encourage telcos to proactively consider and implement appropriate hardship options for consumers.

Case study 3: Steve was not given flexibility once a payment plan was in place*

Steve had multiple mobile and tablet services with Graphite Mobile, which he gave to his family to use. He fell behind on payments, so Graphite Mobile restricted and later cancelled all of his services. Between the unpaid bills and cancellation fees, Steve owed over \$5,000 to Graphite Mobile.

Steve contacted Graphite Mobile to ask for a low-cost payment plan. Graphite Mobile declined this plan, and instead asked Steve to pay back the entire \$5,000 within a year. Since his options were limited, Steve accepted the offer.

In the following months, the COVID-19 pandemic meant Steve's family lost income. Steve was concerned he would be unable to keep to his payment arrangement, so he attempted to contact Graphite Mobile for assistance. Graphite Mobile did not return his calls, which discouraged Steve from seeking additional assistance.

Before the deadline for payment of the \$5,000 passed, Steve called Graphite Mobile again. Instead of changing the payment arrangement, Graphite Mobile told Steve his account had already gone to a debt collection agency.

Steve then complained to our office. With our assistance, Steve and Graphite Mobile reached an agreement. Steve agreed to return his mobile handsets, and Graphite Mobile agreed to remove \$2,500 in outstanding fees. Graphite Mobile then worked with Steve to find a flexible arrangement to pay off the remaining amounts.

** Names of all parties have been changed. This case study first appeared in our 2021 Systemic Investigation Report 'Responding to consumers in financial hardship'.*

3.4. Proactively informing consumers about their ability to seek assistance from the TIO

A key objective of the Standard is to ensure that telcos only use credit management processes to disconnect consumers experiencing hardship as a last resort (for example, in section 7(1)(e)). To achieve this objective, it is critical that consumers have every reasonable opportunity to seek help with payment difficulties before they are disconnected. Our office receives complaints from consumers experiencing or anticipating payment difficulties, who have attempted to reach their

telco but were ultimately unable to discuss their options for assistance. However, this is only possible where the consumer knows our office exists, and that they can contact us for help.¹⁷

To ensure consumers at risk of having their services disconnected are aware they can contact us for help, we recommend the Standard should require telcos to list the TIO's contact details clearly on restriction, suspension, and disconnection notices under section 24.

The Australian energy and water sectors have recognised the importance of educating consumers about the help ombudsman schemes can offer by requiring their contact details to be listed on credit management notices.

The Australian Energy Regulator has recently introduced a requirement into its Better Bills Guideline requiring energy bills to list the relevant energy ombudsman's contact details on bills.¹⁸ Requiring our contact information to be included on disconnection, restriction, and suspension notices would be consistent with similar essential services like the energy and water sectors.

Clause 26.1 – South Australian Water Retail Code (Major Retailers) – Restriction warning notices

26.1.1 A restriction warning notice is a notice issued by a retailer to warn a customer that the customer's supply address will or may have the supply of water services restricted in accordance with clause 26.

26.1.2 A restriction warning notice must:

(a) state the date of its issue;

...

(g) include details of the existence and operation of the industry ombudsman scheme.

4. Further feedback on the Standard

4.1. We recommend further changes to the credit management provisions

We support the Standard's credit management requirements for consumers experiencing payment difficulties. As discussed earlier, the requirement for telcos to give such consumers at least ten business days' notice before taking credit management action against them is a welcome improvement on the five business days' notice currently required under the TCP Code.¹⁹

However, we see opportunities to strengthen and clarify the requirements to ensure they provide robust protection for consumers and achieve the objective of keeping consumers connected. The notice requirements in section 24(5)(b) could be improved by requiring telcos to send both a

¹⁷ See Page 28, TIO Submission to 2024 Telecommunications Consumer Protections Code Review.

¹⁸ Clause 40(I)(ii), Australian Energy Regulator, Better Bills Guideline Version 2, 30 January 2023.

¹⁹ TCP Code, clause 6.7.1.

credit management warning notice and a separate restriction, suspension, or disconnection notice before taking further action.²⁰

We also recommend the ACMA include an obligation for telcos to reconnect services that have been disconnected in contravention of the Standard's credit management requirements. We receive complaints from consumers who tell us their services were disconnected for credit management reasons without any notice. While some of these consumers' services may have been disconnected in contravention of existing notice requirements in the TCP Code, there is no positive Code obligation for telcos to reconnect such services. In these circumstances, our office is not always able to compel the telco to reconnect a consumer's service.

When consumers tell us their service was disconnected without notice, often they were paying for their service via automatic direct debit payments. Telcos tend to take credit management action to disconnect services on these sorts of 'subscription-based' plans more quickly than they disconnect services on traditional post-paid plans. Sometimes, consumers say their services were disconnected with no notice after they missed a single automatic payment. These consumers can find their telco refuses to reinstate their service, or requires the consumer to pay out the full cost of an associated device within a short period of time.

Case study 4: Jordan's service was disconnected after they missed one automatic payment*

In the months leading up to their complaint, Jordan had a mobile service with Telecare. Jordan's life had been stressful in those months, as their partner had lost her job and this had caused disruption to their routine and reduced the income available to their household.

Things became more stressful for Jordan when their mobile phone suddenly stopped working. Using a friend's phone, they called Telecare to ask what had happened. Telecare told Jordan their last automatic payment for their mobile service had not gone through. It said it had waited until the end of Jordan's billing cycle before disconnecting their service. Because of this, Telecare put payout fees of around \$1,300 on Jordan's account for their mobile handset.

Jordan had not received any notice that their service would be disconnected. Even though they explained their circumstances and offered to pay the missing payment, Telecare refused to reinstate their mobile plan or set up a long term payment arrangement for the handset charges. Telecare offered to waive some of the charges, but said Jordan had only two weeks to pay off the handset.

** Names of all parties have been changed. This case study first appeared in our submission to Stage 1 of the 2024 Telecommunications Consumer Protections Code Review.*

We understand the notice requirements in section 24(5)(b) apply to all telco services (including those paid for by automatic payments). However, we suggest that an explicit reference to automated payment methods could encourage greater consistency in telcos' approach to the notice requirements.

²⁰ In our submission to Stage 1 of the 2024 TCP Code Review, we recommended telcos should be required, at a minimum, to send a disconnection warning notice, followed by a separate disconnection notice before disconnecting, and make genuine attempts to contact the consumer (Recommendation 20).

Subject to other requirements in section 24(1)-(2), section 24(5)(a) of the Standard says a telco must only use restriction, suspension, or disconnection of consumer's telecommunications service 'as a measure of last resort.' We support the intent of section 24(5)(a), but encourage the ACMA to provide further guidance about what telcos are required to do in order to comply with it. Without further guidance, there is a risk telcos may apply the obligation inconsistently. Additional guidance would provide clarity for consumers and telcos about what is required, and support a consistent approach across the industry. Telcos could also be required to use less restrictive forms of credit management action (like service restrictions) before using more restrictive forms (like disconnection).

4.2. We support the training and monitoring requirements and encourage additional reporting requirements

We welcome the robust financial hardship training and knowledge development requirements for relevant telco personnel in these proposed provisions. We support the written processes and procedures included in section 26 and the overall focus on financial hardship education and awareness. It is important for telco personnel to be appropriately trained to deal with complex hardship situations. Robust training requirements can assist to further improve telcos' staff understanding and empathy when dealing with consumers impacted by financial vulnerability and hardship.

We support the proposed section 27 about telcos keeping their staff informed of relevant financial hardship information in a timely manner. Telco personnel being equipped appropriately at all times with such knowledge can create a more tailored and supportive experience for consumers.

We recommend including requirements in the Standard for telcos to report to the ACMA about their monitoring and review processes in section 28. This would promote further transparency and accountability to ensure telcos are adhering to these important sections.

4.3. Expanding on requirements for manual payment methods

We have observed an industry-wide shift towards the use of mandatory automatic payment methods for telco plans. While these payment methods may offer ease-of-use benefits to many consumers, they can often negatively affect consumers experiencing vulnerability. We see an opportunity for the Standard to directly address these outcomes, by including specific provisions about payment methods. While flexible payment options should be available industry-wide to all consumers, we note that at a minimum, flexible payment options should be available to consumers covered by the Standard.

The Standard could prescribe non-automatic fee-free payment options for consumers experiencing payment difficulty. The mandatory payment options could include Centrepay for consumers who need and request this option. Giving consumers more control over when and how they pay their telco charges provides increased flexibility and empowers consumers to effectively manage their own money, ultimately minimising financial hardship.

Case study 5: Unexpected direct debits put Ursula further into hardship*

Ursula was struggling with her finances, so she contacted her internet provider, Token Fones, to discuss her options.

Token Fones said it could cancel the service and said Ursula could pay off her debt at \$90 each month. Ursula accepted this offer.

The day after this conversation, Token Fones deducted \$360 from Ursula's bank account. This deduction, which was not part of the agreed plan, placed a significant financial burden on Ursula, who was already finding it difficult to keep up with her bills.

Ursula asked Token Fones to immediately refund the \$360 and stick to the \$90 agreement. Token Fones agreed it had made an error, but said would take five to seven days to process the refund. However, Ursula needed the refund to pay for her daily living essentials.

Ursula raised an urgent complaint with the TIO, and we facilitated the communication between Ursula and Token Fones. This ultimately resolved the issue.

** Names of all parties have been changed. This case study first appeared in our 2021 Systemic Investigation Report 'Responding to consumers in financial hardship'.*