

Telcos and Financial Hardship

FEEDBACK FROM THE FRONTLINE



**financial
counselling
australia**



This report is based on a survey of financial counsellors about the hardship practices of telecommunications companies. The report also brings together relevant information from other sources about the way the telco industry treats its customers.

APRIL 2021

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About Financial Counsellors

Financial counsellors assist people experiencing financial difficulty. They provide information and advice to help people tackle their immediate financial problems and to minimise the risk of problems occurring in the future. Financial counselling services are free, confidential and independent. There are around 950 financial counsellors in Australia.

About Financial Counselling Australia

Financial Counselling Australia (FCA) is the peak body for financial counsellors. FCA's members are the State and Territory financial counselling associations.

FCA is a not-for-profit organisation that:

- › Provides resources and support for financial counsellors;
- › Advocates for a fairer marketplace;
- › Works to raise the profile of financial counselling;
- › Advocates to increase access to financial counselling; and
- › Works to improve hardship processes for people in financial difficulty.

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Disclaimer

This report is based on a survey of financial counsellors. It does not represent the attitudes or opinions of other third parties, including funding bodies.

Disclosure

In the past, FCA has received funds from both Telstra and Optus for an exhibitor stand at FCA's annual conference held in May each year. The funding did not influence how this survey was conducted.

Thanks

FCA thanks the 228 financial counsellors who responded to the request to complete this survey over a short timeframe.

Summary of the results

Why did we conduct this survey?

Financial counsellors are on the front line in assisting people in financial hardship. They are well placed therefore to assess how well an industry treats customers struggling with debt.

Our sector has conducted national surveys in the past asking financial counsellors about the hardship practices of financial services providers,¹ but there has been no national survey focusing just on the telcos. As Australia recovers from the coronavirus pandemic, and thousands of Australians remain under significant financial stress, it is timely to remedy this. Telecommunications is an essential service: without access to a phone or the internet, people miss out on jobs, can't make medical appointments or contact government services.

Methodology

We conducted a survey of financial counsellors over the three days just before Easter 2021. There are around 950 financial counsellors in Australia. 228 financial counsellors completed the survey for a 24% response rate. This is a very high response rate, given the short timeframe.

We also conducted desk top research, summarising relevant findings from other organisations about the telco industry and customer hardship.

Survey Findings – Quantitative

- ▶ **Number of clients** – Every financial counsellor surveyed said that they had at least some clients struggling to pay their telco debts. The most common answer was that between one third of clients to more than half were struggling with telco debt (the survey didn't have a category larger than "more than half").
- ▶ **Ratings of hardship responses** – Financial counsellors rated the hardship policies and practices of the telcos on a scale of 1 – 10, where 1 was the lowest and 10 the highest rating. Telstra scored 6.2, Optus 5.6, TPG/ Vodafone 4.4 and the smaller telcos (rated as a group) 3.5. We consider a rating of 7 or above to be acceptable. These ratings therefore are poor. For example, financial counsellors said it was common that hardship arrangements offered by telcos to their customers were not affordable.
- ▶ **Comparison with other industries** – Telcos are seen as providing "much worse" or "worse" hardship responses compared to the big four banks, non-major banks and electricity retailers. The telco industry however has better hardship practices than the Buy Now, Pay Later industry.
- ▶ **Change in practice** – The majority of financial counsellors said that telco hardship responses had "stayed the same" over 2020, the period of the coronavirus pandemic.

¹ The most recent survey was "Rank the Banks (and other creditors) 2019", <https://www.financialcounsellingaustralia.org.au/docs/rank-the-banks-and-other-creditors-2019/>

- ▶ **Extent of mis-selling** – Approximately 80% of financial counsellors said they had clients where mis-selling had occurred. One example provided by a financial counsellor in the survey was:

“I had an intellectually handicapped client who was offered a new and additional product every time he phoned in to say that he couldn’t afford to pay his monthly account. He ended up with 5 mobile phone numbers and a multitude of products and services that he didn’t use. Total account was \$586 per month for a person on a Disability Support Pension.”

Survey Findings – Qualitative

- ▶ We encourage telco providers to read all of the qualitative comments. While there are some positive comments – for example, some financial counsellors say hardship responses in some telcos have improved and there are better family violence responses in some cases – the majority of comments are critical, describing serious and systemic problems.
- ▶ A strong theme was that vulnerable people – including First Nations people, people with disabilities or mental health issues, refugees and people whose first language is not English, or people with low financial or digital literacy – are being sold multiple devices and/or plans which are unaffordable and they do not understand.
- ▶ Financial counsellors also said that telco affordability assessments were inadequate, pointed to difficulties with telco hardship departments such as delays and that some staff had little empathy or understanding of disadvantage. Hardship responses were seen as inadequate. Some clients had been sold products where there was no coverage.

Desktop Research

Desktop research rounded out the analysis.²

- ▶ **Consumer Action Law Centre** – its November 2020 report, “The Trouble with Telcos: Stories from 2020” documented the vital role of financial counsellors in assisting telco customers struggling with debt. It also described some of the common problems telco customers were facing including the rejection of payment plans or unaffordable hardship arrangements.
- ▶ **Consumer Policy Research Centre** – CPRC’s quantitative research, “Consumers & COVID-19 August Results Snapshot” estimated that 5.7 million Australians had a recent negative experience with their telecommunications provider (August 2020).
- ▶ **Financial Counselling Victoria** – published “Rank the Telcos” in 2017. The rankings for Telstra, Optus and Vodafone have improved between 2017 and this survey. However, as noted above, the 2021 results are still poor.
- ▶ **Telecommunications Hardship Principles for COVID-19** - these principles were agreed by the industry in April 2020. They either go no further than

² Full links to each of the reports used in the desktop research are in Section 3.

the existing requirements in the Telecommunications Consumer Protection Code or provide minimal additional assistance to customers, other than what would be expected of any business meeting community expectations. The three larger telcos however all made public announcements offering various additional supports to customers affected by the pandemic.

▶ **Australian Communications and Media Authority**

- ▶ The most recent “State of Play” report based on data provided by the telcos found that there were positive hardship outcomes. However, less than half of residential customers successfully exit a financial hardship arrangement and there are inexplicable differences between telcos in the data. It would be helpful if ACMA were to investigate actual customer experiences, for example, to assess if the hardship arrangements that were offered were reasonable in the circumstances and affordable.
- ▶ ACMA also interviewed 10 financial counsellors about telco hardship practices. Consistent with this survey, the financial counsellors pointed to inappropriate sales practices that meant customers struggled to repay, as well as poor telco hardship practices.
- ▶ ACMA’s June 2020 shadow shopping exercise into the credit practices of the three major telcos revealed a number of deficiencies, particularly for in-store sales. Our assessment is that the sales process focuses on credit risk, not affordability.

▶ **Telecommunications Industry Ombudsman** – overall numbers of complaints to the TIO have reduced in recent years. Trends in credit related complaints during the same period are not available. The TIO’s 2019 systemic issues report did however specifically focus on sales practices driving customer over-commitment. The report identified insufficient enquiries about the customer’s financial situation, commission-based sales practices, low barriers stopping people from having multiple plans and allowing representatives to sign people up for additional plans without the account holder’s knowledge. Although the Telecommunications Consumer Protection Code has since been strengthened, the experiences of financial counsellors indicate these problems still remain.

▶ **Australian Competition and Consumer Commission** – The ACCC has instituted proceedings against Telstra in the Federal Court for unconscionable conduct for mis-selling to vulnerable First Nations people in WA, SA and the NT. Subject to court approval, the pecuniary penalty will be \$50 million.

Overall, the desk top research reinforces and confirms the data in the financial counselling survey.

Conclusion

The analysis in this report, about the way telcos treat their customers, particularly those in vulnerable circumstances, reveals serious problems. Overall, the data shows that the industry needs to improve way it responds to customers in financial hardship. The key points are:

- ▶ telco hardship practices are poor,
- ▶ mis-selling is common and occurs across the industry,
- ▶ affordability checks by telcos are still inadequate and this places people under financial stress.

The telecommunications industry refers customers to financial counsellors³ and benefits when their customers get back on track.

As Australia recovers from the pandemic, it will be critical that financial counsellors and the industry work together constructively to ensure people in financial hardship are treated fairly.

3 See clause 7.1.3, Telecommunications Consumer Protection Code, https://www.commsalliance.com.au/_data/assets/pdf_file/0011/64784/TCP-C628_2019.pdf which requires telcos to provide contact details for financial counsellors.

1 About this report

1.1 Why did we conduct this research?

Financial counsellors often assist clients who have debts with telecommunication companies (telcos), but there has been no national survey focusing on their experiences and collecting their feedback.

This contrasts with several surveys conducted by FCA of financial counsellors about the hardship practices of the banks and other financial services providers. These “Rank the Banks” surveys have been conducted in 2013, 2015, 2017 and 2019.⁴

As Australia recovers from the coronavirus pandemic, and thousands of Australians remain under significant financial stress, it is timely to ask financial counsellors about their experiences in interacting with the telcos. Telecommunications is an essential service - without access to a phone or the internet, people miss out on jobs, can't make medical appointments or contact government services.

1.2 Methodology

The methodology had two parts:

- ▶ A survey of financial counsellors. This focused on their experiences and observations about dealing with the telcos on behalf of clients experiencing financial difficulty.
- ▶ Desk top research that collated the main findings of other research or data about telco hardship practices or customer service.

Survey of Financial Counsellors

This survey was conducted over just three days: between Tuesday 30th March – Thursday 1st April 2021. It was completed over a short timeframe to provide data as quickly as possible to the telecommunications industry about the experiences of financial counsellors with their industry. The timing coincided with changes in the level of government support that took effect at the end of March 2021: the cessation of JobKeeper and a reduction in the level of the JobSeeker payment.

Given this short timeframe, the response from financial counsellors was very high. We estimate there are around 950 financial counsellors in Australia. 228 financial counsellors completed the survey, giving a response rate of 24%.

⁴ These reports are available on the FCA website: www.financialcounsellingaustralia.org.au

The first question in the survey asked respondents how many clients they typically worked with each week. A reasonable estimate of the number of clients on which financial counsellors were basing their feedback was 2,800 each week.⁵

Data analysis was a mix of statistical and thematic analysis. Not all questions were mandatory. The percentages in the report relate to the percentage of respondents who answered a specific question, not the percentage of total survey respondents. Percentages in tables have been rounded and may not add exactly to 100%.

Desk top research

The desk top research collated data from other consumer organisations, the telco regulator (the Australian Communications and Media Authority) and the independent dispute resolution body, the Telecommunications Industry Ombudsman.

The desktop research and the survey results provide an overall picture of the telco industry in relation to customers in hardship.

5 The question was: "In a typical week, how many clients (ongoing and new) do you work with (including face to face and over the phone)? The results were: 1 – 10% (105), 11 – 20% (80), 21 – 30% (27), more than 30% (14) and unsure/prefer not to say (2). To estimate the number of clients on which the feedback was based, we took the midpoint of the range and multiplied by the number of financial counsellors. The calculation was: $(5 * 105) + (15 * 80) + (25 * 27) + (14 * 30) = 2,820$.

2 Survey results

2.1 How many clients are struggling to pay their telco debts?

Financial counsellors said that large numbers of their clients are struggling with their telco debts (Figure 1).

- ▶ The most common answer was that more than 50% of clients were struggling to pay, with a quarter of respondents choosing this response. Note that this was the maximum category in the survey, so it is possible that for some financial counsellors the proportion of clients with telco debt problems may have been larger.
- ▶ Broadly, financial counsellors reported that between one third of clients to more than half were struggling with telco debt.⁶
- ▶ No financial counsellors said that “none” of their clients were struggling with telco debt.

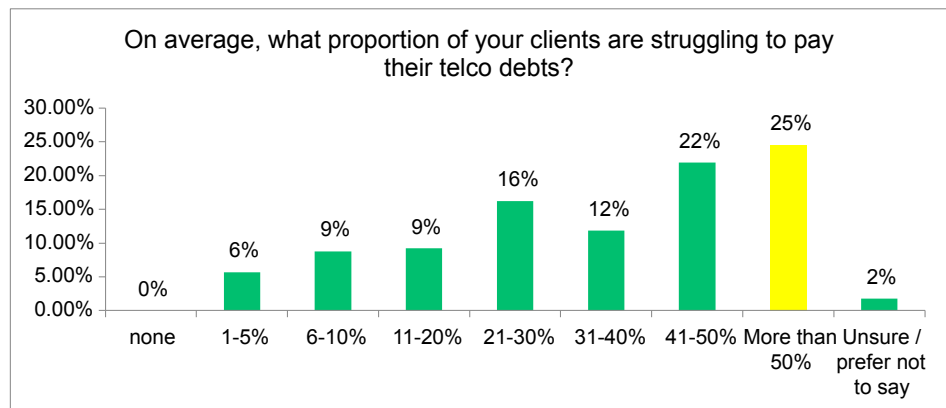


Figure 1: Proportion of clients struggling with telco debts

2.2 Ratings of telco companies

The survey asked financial counsellors to rate the hardship policies and practices of the telcos on a scale of 1 – 10, where 1 was the lowest and 10 the highest rating (Figure 2). Telstra received the highest rating at 6.2, followed by Optus at 5.6, TPG/Vodafone at 4.4 and the smaller telcos, which we grouped together at 3.5.⁷

⁶ 12% of financial counsellors said that somewhere between 31 – 40% of clients were struggling, 22% of financial counsellors said that somewhere between 41 – 50% of clients were struggling and 25% of financial counsellors said more than 50% of clients were struggling. Together this is 59% of the sample.

⁷ The sample sizes varied with more financial counsellors able to provide ratings for the larger telcos. The sizes were: Telstra n = 223, Optus n = 207, TPG/Vodafone n = 176, Smaller telcos n = 143.

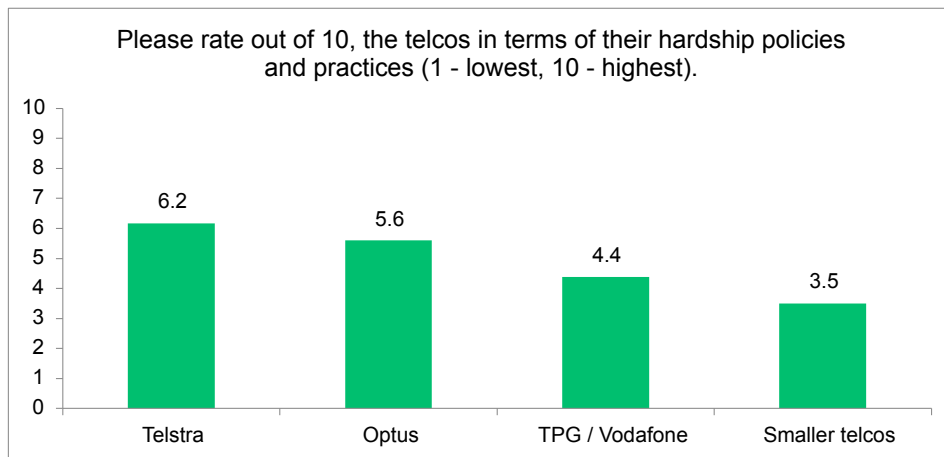
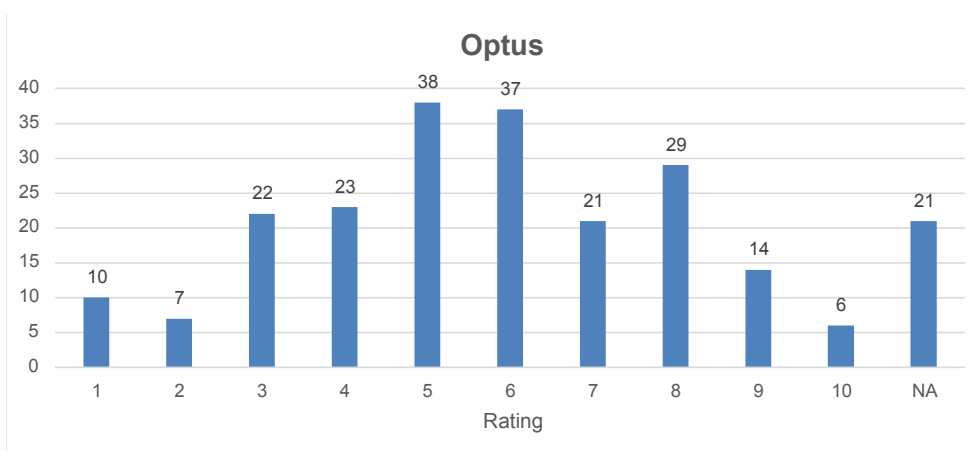
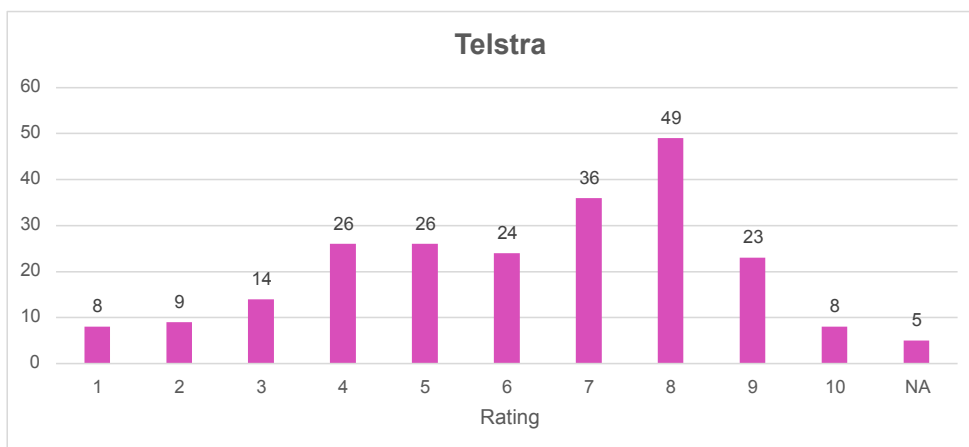


Figure 2: Rating of Telco Hardship Policies and Practices

To provide some context for these results, it is reasonable to compare the feedback about the three major telcos to the four major banks. In the most recent Rank the Bank report,⁸ these ratings ranged from 5.9 to 7.3. We consider a rating of 7 or above to be acceptable.

The spread of results for each of the three major telcos are shown in the graphs in Figure 3.



⁸ Financial Counselling Australia, Rank the Banks (and other creditors) 2019, <https://www.financialcounsellingaustralia.org.au/docs/rank-the-banks-and-other-creditors-2019/>

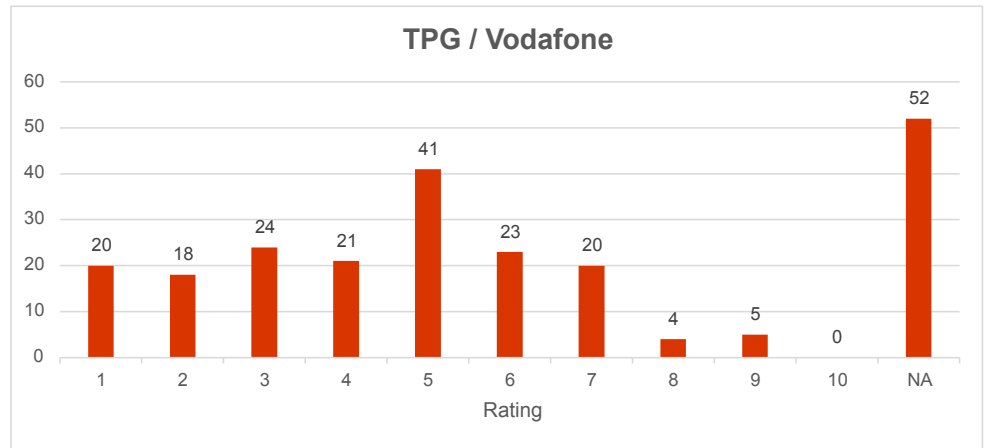


Figure 3: Rating of Telco Hardship Policies: Spread for Each Telco

2.3 Telco hardship practices compared to other industries

The survey also included a comparative question, asking whether telco hardship practices were “much worse”, “worse”, “about the same”, “better” or “much better” than other industries. These results are shown in Table 1 below.

Figure 4 combines the “much worse” and “worse” categories and the “better” and “much better” categories. Telcos are seen as providing “much worse” or “worse” hardship responses in comparison to the big four banks (79% of financial counsellors said this), non-major banks (50% of financial counsellors said this) and electricity retailers (70% of financial counsellors said this). On the whole however, the telco industry is seen as having better hardship practices than the Buy Now, Pay Later industry.⁹

	Telcos are much worse	Telcos are worse	About the same	Telcos are better	Telcos are much better	N/A	Number responses
Big four banks	30%	49%	15%	4%	0%	2%	227
Non-major banks	14%	37%	39%	5%	1%	4%	224
Electricity retailers	28%	42%	23%	5%	0%	2%	226
Buy Now Pay Later companies	5%	12%	41%	28%	6%	7%	227
Debt collectors	10%	33%	34%	16%	4%	3%	228

Table 1: Telco hardship practices in comparison to other industries (most common response highlighted)

⁹ This is consistent with feedback we continue to receive from financial counsellors about the BNPL industry. We are keen to engage with the BNPL industry about their hardship practices.

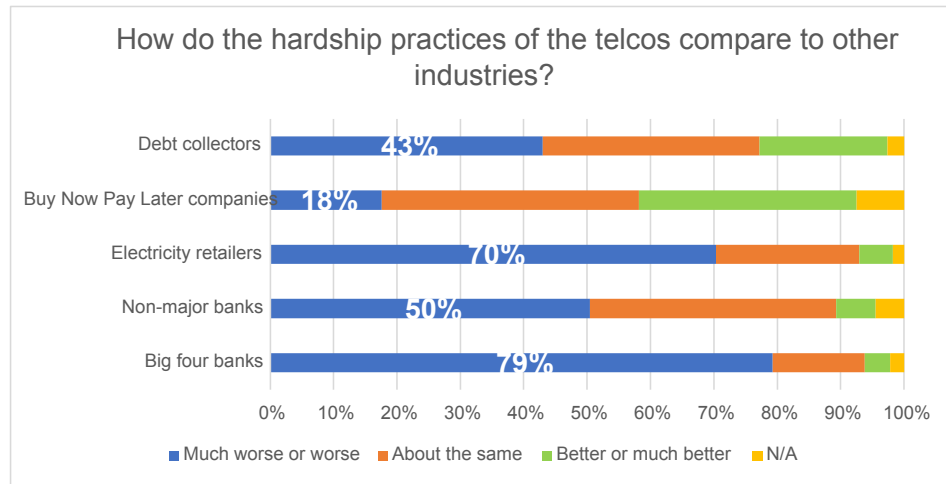


Figure 4: Telco hardship practices in comparison to other industries

This question also included an opportunity for financial counsellors to make comments and 46 did so. All their comments are included in Appendix 1. Answers were coded to draw out the main themes. There were:

- ▶ 25 comments critical of industry practices such as poor hardship responses, mis-selling and poor customer service experiences
- ▶ 5 comments were positive, pointing to some specific telcos where the financial counsellor had good experiences with that telco
- ▶ 11 comments were mixed, where the financial counsellor described some positive aspects, but also some negative ones
- ▶ 4 comments were about the difficulty in making a comparison between industries, as practices varied, for example between different banks or between different debt collectors.

2.4 Telco hardship responses over time

The survey asked if telco hardship responses had changed during 2020, the period coinciding with the coronavirus pandemic (Figure 4). The most common answer was that the way telcos treat their customers experiencing financial hardship had “stayed the same” (the view of 54% of respondents).

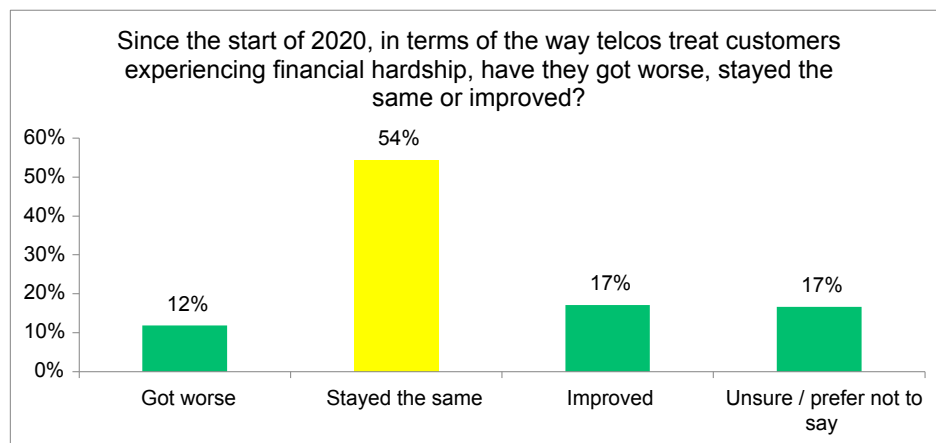


Figure 5: Change in telco hardship practices over 2020

2.5 Issues facing telco customers in hardship

In the experience of financial counsellors, there are specific issues that may face telco customers experiencing financial hardship (Table 2). Figure 6 combines the categories for “happened regularly” or “happened all the time” and the categories “didn’t happen at all” or “happened rarely”.

It was more common than not for financial counselling clients to be:

- ▶ contacted by a debt collector (51% of financial counsellors said this happened regularly or all the time, and 30% said it happened sometimes)
- ▶ offered an unaffordable hardship arrangement (50% of financial counsellors said this happened regularly or all the time, and 29% said it happened sometimes)

Other issues also occur at reasonably high rates, with clients:

- ▶ having a payment plan rejected (42% of financial counsellors said this happened sometimes)
- ▶ not being offered a hardship arrangement at all (33% of financial counsellors said this happened sometimes).

	Didn't happen at all	Happened rarely	Happened sometimes	Happened regularly	Happened all the time	Unsure / prefer not to say
Had a payment plan rejected	6%	14%	42%	24%	3%	12%
Were offered unaffordable hardship arrangement	3%	7%	29%	35%	15%	10%
Were offered no hardship arrangement	5%	21%	33%	23%	7%	11%
Were contacted by a debt collector for a telco debt	2%	7%	30%	37%	14%	9%

Table 2: Percentage of financial counselling clients that experienced specific issues, most common response highlighted (n = 228 for all responses)

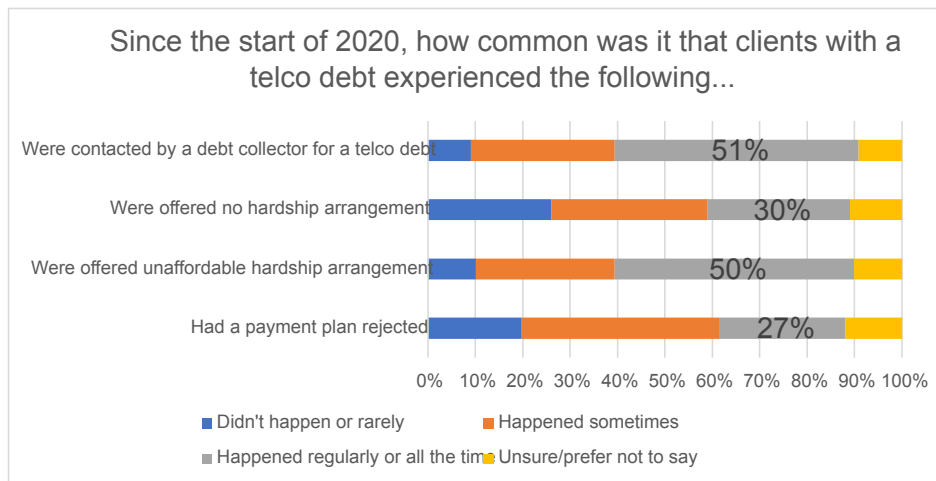


Figure 6: Percentage of financial counselling clients that experienced specific issues

2.6 Extent of mis-selling

The extent to which mis-selling is an issue in financial counselling casework is shown in Figure 7. The most common answer was that “more than 50%” of clients were mis-sold telco products. Mis-selling may be an even larger proportion of casework for some financial counsellors, as “more than 50%” was the highest proportion to choose.

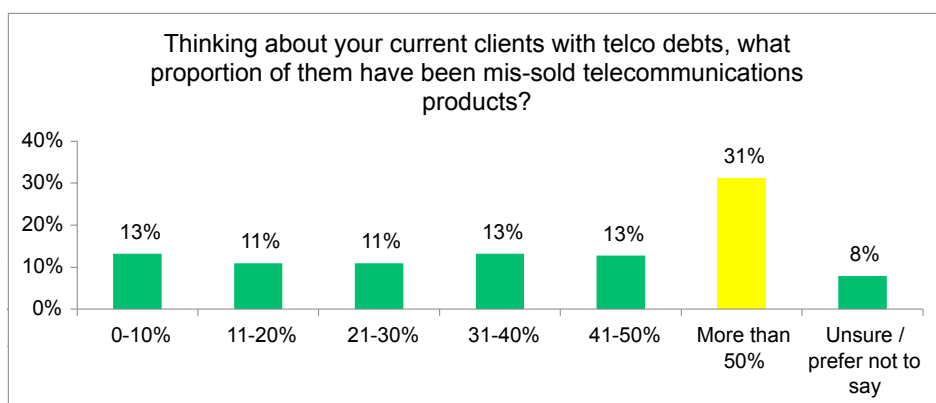


Figure 7: Percentage of financial counselling clients where mis-selling had occurred

Financial counsellors were also asked to provide any comments or examples and 60 did so. Some examples are below. All the comments are in Appendix 2.

“I had an intellectually handicapped client who was offered a new and additional product every time he phoned in to say that he couldn’t afford to pay his monthly account. He ended up with 5 mobile phone numbers and a multitude of products and services that he didn’t use. Total account was \$586 per month for a person on a Disability Support Pension.”

10 11% of financial counsellors said that between 11-20% of their clients had debts where mis-selling had occurred + 11% said the figure was between 21-30%, 13% said the figure was between 31-40%, 13% said the figure was between 41-50% and 31% said it was more than 50%. This adds in total to 79%.

“Client upsold phone while on JobSeeker for 24 months that clearly they cannot afford based on budget which led to them falling behind with their essentials including rent. This resulted in a NSW Civil and Administrative hearing (re the rent). It was easier to negotiate with the pay day lender and landlord than the telco.”

“Illiterate grandparents with home data/wifi they are unable to use and sold the most advanced iPhones on plans that often show zero use.”

“I work in a very poor area ... I hear regular stories from clients that go into the telco stores just for a pre-paid mobile and walk out with a very expensive mobile with all the extras and an unaffordable plan. I asked one of my clients if she felt comfortable to tell the salesperson she did not want and could not afford the plan or the phone, the client said she felt too shy to say anything.”

“Clients with impaired mental ability, unable to say no, to an upgrade, or did not fully understand the payment plan, or amount of internet usage.”

“Client sold an iPad instead of a phone. Clients sold unaffordable phones and plans. Client with three different broadband plans at the same time.”

“This is one of the most common problems that I see. Clients on Centrelink with \$100 / month sometimes \$200 plans, often for devices they don't use.”

2.7 Qualitative comments

The final two questions in the survey were open ended. These were:

“We're interested to know if there are any differences in casework experiences for telco debts/issues depending on geographic location (eg regional/remote vs city) or population groups (First Nations, people from refugee backgrounds) or other factors. If you have any perspectives about this, can you write a couple of sentences and explain? This will help when we talk to the telcos about where things could change or improve.” (107 responses received - see Appendix 3)

“Is there anything else you'd like to tell us about working with the telcos?” (96 responses received - see Appendix 4)

The themes from both these questions were similar and are summarised below. We encourage telco providers in particular to read all of the qualitative comments. The names of the companies have been left in the comments to provide direct and comparative feedback.

- ▶ While there are some positive comments – for example, some financial counsellors say hardship responses in some telcos have improved and there are better family violence responses – the majority of comments are critical and describe serious issues.
- ▶ A strong theme was that vulnerable people – including First Nations people, people with disabilities or mental health issues, refugees and people whose first language is not English, or people with low financial or digital literacy – are being sold multiple devices and/or plans which are unaffordable. These cohorts often do not understand the plans or contracts.
- ▶ Financial counsellors also said that telco affordability assessments were inadequate and pointed to difficulties in dealing with telco hardship departments such as delays and that some staff had little empathy or understanding of vulnerability and disadvantage. Hardship responses were mainly seen as inadequate. Some clients living in areas with no mobile coverage had still been sold products.

3 Other relevant research or data

A number of other organisations have undertaken relevant research about the impact of the telco industry on consumers, or published relevant data. To provide a fuller picture of industry practice therefore, this section collates information from the sources shown below.

Body	Research or data
Consumer Action Law Centre	“Trouble with Telcos: Stories from 2020”, November 2020.
Consumer Policy Research Centre	Monthly survey documenting the experiences of consumers with various industries during 2020.
Financial Counselling Victoria	“Rank the Telcos” report from 2017.
Government and telecommunications providers	“Telecommunications hardship principles for COVID-19”, April 2020.
Australian Communications and Media Authority	Annual data report about hardship called State of Play. Qualitative research based on interviews with 10 financial counsellors. (February 2021) Report on telco credit management practices. (June 2020)
Telecommunications Industry Ombudsman	Releases data about telco disputes. In February 2019, published its systemic issues report “Sales Practices Driving Consumer Debt”.
ACCC	The ACCC has instituted proceedings against Telstra alleging unconscionable conduct involving sales of post-paid mobiles to Indigenous Australian consumers.

3.1 Consumer Action Law Centre: Trouble with Telcos – Stories from 2020

In November 2020, the Consumer Action Law Centre, which is based in Victoria, published the “Trouble with Telcos – Stories from 2020”.¹¹ The report documented the experiences of callers to Consumer Action’s legal advice line and to financial counsellors on the National Debt Helpline run by Consumer Action.

¹¹ Consumer Action Law Centre, The Trouble with Telcos Stories from 2020, <https://consumeraction.org.au/report-the-trouble-with-telcos-stories-from-2020/#:~:text=The%20telco%20industry%20response%20to%20financial%20hardship%20during%20the%20pandemic%20was%20inadequate.&text=Systemic%20issues%20in%20the%20telco.during%20the%20COVID-19%20emergency>.

The key findings relevant to financial counsellors include:

- ▶ The industry failed to lift standards during the COVID crisis.
- ▶ Financial counsellors have been integral to providing assistance to people experiencing poor conduct from telcos, through advice on the National Debt Helpline and referral to other financial counselling services.
- ▶ People in financial difficulty reported being denied appropriate financial hardship from their telco providers in 2020, including
 - › rejection of payment plan proposals,
 - › being offered unaffordable hardship arrangements, or
 - › being offered no hardship arrangement at all.
- ▶ Some people turned to debt (including unaffordable credit card debt and buy-now-pay-later debt) or borrowing from family and friends to try to pay their telco bills in 2020, including because they had not been offered appropriate hardship arrangements from their telco, again leading to the need for financial counsellors.
- ▶ Some people on low incomes reported being contacted by debt collectors in relation to telco debts, including during Melbourne's Stage 4 lockdown in 2020.
- ▶ Telco disconnections continued throughout 2020. Some people also had their service restricted so they could not contact essential services during the lockdown.
- ▶ During the first few months of the pandemic, one telco (Belong) had only one working number on its website for people to contact them. That number was for the phone financial counselling service, the National Debt Helpline, rather than its own staff.
- ▶ The report concludes that there is a need for better, modernised regulation of the telecommunications industry.

3.2 Consumer Policy Research Centre – Telcos and COVID-19

During the pandemic, the Consumer Policy Research Centre (CPRC) began a monthly nationwide survey to document the experiences of consumers when interacting with a range of industry sectors, including rental housing, mortgage providers, energy retailers, telcos, credit providers and so on.

In August 2020, CPRC noted that for “the fourth month in a row consumers have reported telecommunications providers as delivering the worst customer service of all essential service providers”.¹² This report found that:

- ▶ 5.7 million Australians reported a recent negative experience with their telecommunications provider, up from 4.1 million in July 2020,

¹² Consumer Policy Research Centre, Consumers & COVID-19 August Results Snapshot, https://cprc.org.au/app/uploads/2020/09/Consumers-and-COVID-19_AUGUST-RESULTS-SNAPSHOT_21Sept2020.pdf

- ▶ The most commonly reported problems included long wait times (17%), unhelpful service (9%), difficulty navigating the website or phone system (8%) or a general lack of ability to resolve challenges (7%).

The most recent CPRC research was released in December 2020, reporting experiences for October 2020. Approximately three quarters of consumers seeking payment assistance from their telco reported a negative experience (74%).¹³

Financial Counselling Victoria: Rank the Telco report

In 2017, Financial Counselling Victoria, the peak body for financial counsellors in Victoria and a member of FCA, undertook a similar survey to the one described in Section 2 of this report.¹⁴ Using the same rating scale, where 1 was the lowest rating and 10 the highest, the ratings by financial counsellors about telco hardship practices were: Optus 4.0, Telstra 3.7 and Vodafone 3.2. These ratings are much lower than those reported in Section 2.2. This suggests there may have been some improvement between 2017 and 2021. A couple of the qualitative comments in the current survey also suggest that telco hardship practices have improved in recent years.

3.3 Telecommunications Hardship Principles for COVID-19

In response to the coronavirus pandemic, in April 2020, the “Government and the telecommunications industry announced a set of principles to help Australians remain connected ... even if they are facing financial hardship.¹⁵ The principles have been extended a number of times and now expire at 30 June 2021.

On the face of it, this is a positive initiative from the industry, but when you dig a bit deeper, it is difficult to know if the principles will have made much difference to people affected by COVID-19. The principles:

- ▶ don’t go much further than options that are already included in the Telecommunications Consumer Protection (TCP) Code,¹⁶ for example, to consider waiving late fees,

¹³ Consumer Policy Research Centre, COVID-10 and Consumers: from crisis to recovery, Monthly Insights Report – October Results, December 2020, p 14, https://cprc.org.au/app/uploads/2020/12/CPRC_Consumer-Impacts-Monthly-Insights-Briefing-Report_October-2020.pdf.

¹⁴ Financial and Consumer Rights Council (now Financial Counselling Victoria), Rank the Telcos, April 2017, <https://accan.org.au/files/Grants/Rank%20the%20Telco%20Report.pdf>.

¹⁵ Department of Communications, COVID-19 update, <https://www.communications.gov.au/covid-19-update>. The principles “Telecommunications hardship principles for COVID-19” are available at: https://commsalliance.com.au/__data/assets/pdf_file/0008/72098/Excerpt-of-Principles-to-30-June.pdf.

¹⁶ Communications Alliance, https://commsalliance.com.au/__data/assets/pdf_file/0008/72098/Excerpt-of-Principles-to-30-June.pdf, p 55.

- ▶ where they do refer to situations that are not mentioned in the TCP Code, the statements are no more than common sense, consistent with community expectations. For example, the telcos commit to not disconnecting customers who have entered a payment plan (unless the customer agrees to the disconnection) and won't refer customers to debt collectors if they are complying with a payment plan,
- ▶ do not require a hardship arrangement or payment plan to be affordable or realistic for people,
- ▶ the majority of the principles only apply to customers who sought hardship assistance before 30th June 2020. This short timeframe contrasts with support packages from the banks and utility providers in the pandemic which were offered to customers over much longer timeframes or are continuing,¹⁷
- ▶ with the exception of not disconnecting people complying with a hardship arrangement, they do not assist customers experiencing financial hardship after 1 July 2020. Instead, this group must rely on the hardship obligations in the TCP Code, rather than any overlay from the principles. The hardship section of the TCP Code (Chapter 7) does not require telcos to provide hardship arrangements that are affordable or realistic for people but does allow telcos to restrict a person's service (effectively disconnecting them from all but emergency 000 calls).

However, during the pandemic and at times of natural disaster, Telstra, Optus and Vodafone, as well as some of the smaller providers, all offered additional support for customers. During the pandemic and depending on the provider, these included additional mobile data, extensions of unlimited calls and bill waivers for some health workers. (This list is not exhaustive.)

3.4 ACMA – Customer Financial Hardship Data and Research

The Australian Communications and Media Authority (ACMA) is the regulator for the telecommunications industry. ACMA has published two “State of Play” reports that analyse hardship data from the major telcos. The most recent report was released in February 2021. Coinciding with the latest State of Play report, ACMA also released some qualitative research about telco financial hardship programs based on interviews with financial counsellors. ACMA has also conducted some research into telco credit management practices.

¹⁷ For example, in March 2020 the banking industry announced that home loan customers could obtain automatic loan deferrals for up to six months. Further deferrals were possible on a case by case basis until 31st March 2021. The Australian Energy Regulator released a Statement of Expectations in March 2020. This has been extended a number of times and now expires on 30th June 2021. It applies to all customers who may be in financial stress.

ACMA Data Analysis

The most recent ACMA State of Play report is for 2019-20. AMCA paints a positive picture of the hardship responses of the telcos noting that the report “showed many positive outcomes for industry and consumers”.¹⁸

It is worth pointing out however that ACMA data shows:

- ▶ less than half of residential customers successfully exit a financial hardship arrangement (47% in 2019-20),
- ▶ there are inexplicable differences between telcos that are difficult to explain or understand. The three telcos with the largest shares of people exiting hardship arrangements are Telco C, Telco G and Telco I in the ACMA data. Telco C reports that 85% of its hardship customers successfully completed a hardship arrangement, Telco G reports that 51% of hardship customers successfully completed and Telco I reports that 23% of hardship customers successfully completed.¹⁹

We urge ACMA to undertake a deeper analysis to assess how telcos decide whether a customer is in hardship or not, and the actual experiences of customers, rather than relying on raw, self-reported data from telcos.

It is also not clear how ACMA is able to make judgements about the effectiveness or otherwise of telco hardship programs, without deciding what criteria are relevant and setting appropriate benchmarks to measure those criteria. For example, based on the experience of financial counsellors, one criterion could be whether hardship arrangements are reasonable in the circumstances and affordable.

ACMA research – Telco financial hardship programs: views from financial counsellors

ACMA’s qualitative research about hardship involved in depth telephone interviews with 10 financial counsellors and was conducted in late 2020.²⁰ Many of the findings are consistent with those presented in Section 2 of this report. They include:

- ▶ Some cases of financial hardship could be prevented if telcos did not sell and “upsell” to customers who cannot afford what is being sold or do not understand the financial implications of their purchase.
- ▶ Consumers view telco services as essential.
- ▶ Inflexibility of contracts is an issue.
- ▶ Improvement is needed for customers and counsellors to contact appropriate telco financial hardship staff.

¹⁸ <https://www.acma.gov.au/articles/2021-02/acma-report-shows-telcos-supporting-customers-financial-hardship>.

¹⁹ Ibid, p 13.

²⁰ Australian Communications and Media Authority, Telco financial hardship programs: views from financial counsellors, February 2021, https://www.acma.gov.au/sites/default/files/2021-02/Telco%20financial%20hardship%20programs%20-%20views%20from%20financial%20counsellors_qualitative%20research.pdf

- ▶ The comparison with hardship teams at utilities and banks is not favourable. Telcos are viewed by counsellors as the least flexible, not as clear in terms of the options available, and have the least accessible hardship policies and processes (not clear and/or not easily found on their websites).

ACMA research – Telco credit assessments

In June 2020, ACMA assessed the extent to which the three largest telcos were checking whether or not customers had the capacity to pay for the products they were purchasing, by conducting a shadow shopping exercise involving 37 consumers.²¹ The study found problems with in-store purchases in particular compared to purchases over the phone or online. Some people were not asked anything about their capacity to pay. Others were asked only about their employment status. Credit checks were however undertaken for 36 of the 37 people in the shadow shopping exercise.

Our interpretation of this data is that telco processes focus on credit risk, rather than affordability. This is not what is required under the TCP Code. For new customers, the Code requires telcos to assess “how they will be able to afford their commitments”.²²

3.5 TIO – Telco Hardship Disputes and Systemic Issues

The Telecommunications Industry Ombudsman (TIO) is a free external dispute resolution scheme set up to resolve disputes between telcos and their customers.

Dispute data

TIO complaint data for the past five years and for the most recent six months is shown in Table 3. Complaint numbers increased until 2018 – 19, but have reduced in the years since, although are yet to return to the same level as in 2015 – 16. The most recent quarterly report, for October – December 2020, shows a 5.7 per cent increase in complaints against the same period in the previous year.²³

²¹ Australian Communications and Media Authority, Telco consumer credit checks: Findings of shadow shopping study, June 2020, <https://www.acma.gov.au/publications/2020-06/report/telco-consumer-credit-checks-findings-shadow-shopping-study>

²² Telecommunications Consumer Protection Code, Clause 6.1.1 (b)(i).

²³ Telecommunications Industry Ombudsman, <https://www.tio.com.au/reports-updates/quarterly-report-quarter-2-financial-year-2021>.

It was not possible to focus only on credit related complaints, which would have been a more helpful metric to track over time, as this information is not publicly available. The TIO has noted however that:

“Consumers themselves rarely complain about inadequate credit assessments ... and (it is) only when we examine the complaint in detail might it become evident the underlying cause was an inadequate credit assessment.”²⁴

Complaints referred to a provider					
2015 – 16	2016 – 17	2017 – 18	2018 – 19	2019 – 20	First 6 months 2020 – 21 (Jul – Dec)
111,949	158,016	167,831	132,387	127,151	64,965

Table 3 – TIO data by year for complaints referred to a provider

In our view, it is difficult to draw conclusions about telco industry performance in relation to financial hardship from TIO complaint statistics.

Systemic issues

Like other external dispute resolution schemes, an important role of the TIO is to identify and investigate systemic issues. A systemic issue is one that causes detriment to consumers. In February 2019, the TIO released a systemic issues report titled “Sales Practices Driving Consumer Debt”.²⁵

The report:

“identified four common selling practices by providers that drive financial over-commitment by consumers:

- ▶ Conducting credit assessment checks primarily focused on the provider’s commercial risk appetite, and not the customer’s ability to pay over the term of the post-paid plan. This results in insufficient enquiries being made about the customer’s financial situation.
- ▶ Not giving sales staff an adequate role in responsibly selling post-paid plans. Commission-based income and rewards based on sales figures can lead to high-pressure sale environments or a lack of care in assessing the circumstances of vulnerable and financially disadvantaged customers.
- ▶ Allowing customers to obtain multiple or additional post-paid plans with relatively low barriers, when these transactions carry higher risks of financial over-commitment.

²⁴ Telecommunications Industry Ombudsman, Systemic Insight: Sales Practices Driving Consumer Debt, February 2019, <https://www.tio.com.au/sites/default/files/2019-05/TIO-Systemic-Insight-Sales-Practices-Driving-Consumer-Debt-f.pdf>

²⁵ *ibid*, p 2.

- ▶ Allowing representatives appointed on an account to sign up for additional post-paid plans and purchase equipment without the account holder’s knowledge.”

Although the Telecommunications Consumer Protection Code has since been strengthened, the experiences of financial counsellors, as set out in Section 2, indicate these problems still remain and occur across the industry.

3.6 ACCC – Telstra and Unconscionable Conduct

In November 2020, the Australian Competition and Consumer Commission (ACCC) instituted proceedings against Telstra alleging that the company has acted unconscionably in the sale of phones and other telco products to vulnerable Indigenous consumers in the NT, WA and SA. The behaviour included:

- ▶ “misrepresenting or failing to appropriately explain the nature and potential costs of products and services, including by falsely representing that consumers were receiving products for ‘free’;
- ▶ manipulating credit assessments, so as to be able to enter into post-paid contracts with consumers who would otherwise have failed Telstra’s credit assessment process and not have been approved for credit; and/or taking advantage of Telstra’s substantially stronger bargaining position ... to sell products that were unsuitable and unaffordable.”²⁶

Telstra has agreed to an enforceable undertaking and the payment of a \$50 million penalty. At the date of this report, the undertaking and penalty have yet to be approved by the court.

This action by the ACCC is unlikely to have occurred without the involvement of financial counsellors. It was financial counsellors who brought these issues to the attention of the ACCC in the first place, and it was financial counsellors who helped the ACCC get in touch with many of the people affected so that evidence could be collected.

As a final point, while this behaviour by Telstra was particularly egregious, as reflected in the survey in Section 2, financial counsellors continue to report that telcos take advantage of people who are vulnerable through mis-selling.

²⁶ <https://www.accc.gov.au/public-registers/undertakings-registers/telstra-corporation-limited>

4 Conclusion

4.1 Summary of the themes in this report

Telco hardship practices are poor

- ▶ This is evidenced by the ratings in the survey of financial counsellors, the qualitative research from the Consumer Action Law Centre and the quantitative research from the Consumer Policy Research Centre.
- ▶ Problems include being offered unaffordable hardship arrangements, or not being offered arrangements in the first place.
- ▶ Financial counsellors say that their experiences in dealing with creditors are often better than that of individual consumers. This means that the experience of individuals in financial stress, trying to navigate telco hardship systems on their own, is likely to be even less satisfactory than it is for financial counsellors.

Mis-selling is an ongoing issue

- ▶ Mis-selling in the telco industry, such as where people end up with excessive devices they don't need or can't use, is far too common. Financial counsellors provided many examples of telco sales practices that took advantage of the vulnerability of customers. This causes real hardship for people.
- ▶ The three large telcos account for 93% of residential telco customers. Mis-selling occurs across the industry and is not restricted to just a few fringe providers. A "bad apples" explanation is not consistent with the experience of financial counsellors.

Affordability checks by telcos are still inadequate and this places people under financial stress

- ▶ Related to the issue of mis-selling, financial counsellors see far too many clients who have unaffordable telco plans. If there were adequate affordability checks, this would not be the case. Telcos appear to focus on their credit risk, rather than assessing what a person can reasonably afford to repay.

Many people in financial hardship are struggling to repay telco debts and seek financial counselling

- ▶ Financial counsellors help clients with telco debts get back on their feet. This can include, for example, negotiating reasonable repayment arrangements.
- ▶ Telecommunication is an essential service and it is important that people are provided with assistance to stay connected. Financial counselling can therefore be a vital service for some people.

4.2 Conclusion

The analysis in this report, about the way telcos treat their customers, particularly those in vulnerable circumstances, reveals serious problems. Financial counsellors are well placed to assess this as they are on the front line when it comes to assisting people experiencing financial hardship.

Overall, the survey results show that the industry needs to improve the way it responds to customers in financial hardship. This is reinforced by the data and research described in Section 3.

The root cause of many of the problems identified are telco sales practices. There are inadequate affordability checks and mis-selling. Vulnerable people are provided with devices they don't need, don't understand or can't afford. They then find that telco financial hardship responses are inadequate.

4.3 A Way Forward

Telecommunications is an essential service: without access to a phone or the internet, people miss out on jobs, can't make medical appointments or contact government services. We hope therefore that the telecommunications industry will reflect on the feedback and data in this report and respond in a way that will address the issues. This is important as Australia recovers from the coronavirus pandemic.

It is also worth pointing out that telco practices drive demand for financial counselling and that telcos benefit when their customers get back on track. This is one reason telcos refer their customers to financial counsellors.

Financial counsellors interact with a range of industries and engage with them regularly. Telstra for example organises regular meetings with financial counsellors to discuss hardship practices, ask for feedback and share information. This may be one reason that Telstra's survey results were the highest of the three big telcos.

The financial counselling sector has always had a constructive relationship with the telecommunications industry and looks forward to working with the industry in the future.

Qualitative Comments

Comments in the Appendices were edited for spelling, grammar and clarity. Some comments were amended if they included identifying references to individuals.

Appendix 1 - General comments about hardship

	Comment
1	Optus generally helpful and resolution focused, Telstra mostly okay but still seeing over servicing/up selling by stores to clients on low incomes—sold iPads, latest phones etc when on Disability Support Pension/JobSeeker and can't afford such contracts, Vodafone problematic insisting on PIN from client to access account, assistance not consistent, smaller telcos typically awful—taking funds after direct debits cancelled, blaming client for situation instead of looking for a solution, upselling and over servicing products.
2	A major issue with big telcos is the difficulty in communicating with them. Our clients find it extremely difficult and I have difficulty even with so-called special phone numbers. Telstra in particular is very frustrating and often makes errors in billing. So their customer service practices leave a lot to be desired quite apart from their actual hardship policies.
3	The main problem with telcos is that their products are often very expensive and getting 'real help' (more than a short delay in payment) is much more difficult than it needs to be. For example, with Telstra, the prevailing impression is that to get any real action for financial hardship (beyond a temporary delay in payment) you have to go to the Ombudsman first.
4	With the telcos, when you contact them on the financial counselling contact numbers (in the Toolkit) you are invariably speaking with someone who has some degree of decision-making autonomy. This is not always the case with the banks (regrettably). Telco hardship people can often set up payment plans and sometimes even waive (modest) debts over a single, facilitated (i.e. conference call) phone call with the client. Long may that continue! Energy providers are similar in this regard.
5	Telcos decline to provide proof that their credit assessments evidence that clients can afford plans they are sold.
6	Responses from debt collectors are hard to generalise about—there are so many of them and some are surprisingly cooperative.
7	Telcos just do not understand the word hardship or consequences of disasters.
8	Many clients have telco contracts they simply cannot afford and we spend a great deal of time dealing with this. This simply comes down to the lack of affordability assessment at the point of sale.
9	We need dedicated financial counsellor direct lines with each telco that is answered and the matter handled by that original person not a financial counsellor number listed but is handled by general staff.

	Comment
10	I have had several clients with positive experiences with Optus' hardship department and Telstra's hardship department.
11	Making contact with telcos is difficult as it is hard to find contacts and deal with a person.
12	We have had a lot of difficulty with Telstra in particular, they will not accept our authority forms, we have to take them into one of the Telstra sales store to be authenticated. They have even been ignoring instructions from the ombudsman to contact us and not the customer.
13	Lack of consistency and identified procedures within telcos is a significant issue. What reads well as a policy does not always translate into a prompt or clear outcome—often involves an unreasonable amount of correspondence, negotiation and follow up.
14	A phone is an ESSENTIAL service in today's modern world . The ability to just cease service provision by the telcos, often leaves our clients with their hands tied when it comes to negotiating a reasonable hardship plan directly with the telcos. When a financial counsellor intercedes the clients always say "why wasn't I able to get that arrangement?"
15	Client who pays regular \$100 every fortnight threatened with disconnection as the full balance had not been paid in full by the due date. A small balance remained and was now 5 days overdue.
16	Telcos take too long to respond to complaints and when they do they take longer to come to a resolution.
17	Telcos are much worse, but they are getting better. Telstra have made a lot of changes over the past few months, with adding affordable products and taking ownership of their stores, instead of third party stores. Optus and Vodafone need to improve. They have terrible hardship arrangements, will only probably give a person a month to sort out, or they are more than likely to cancel the contract, then the client is owing the whole contract back, which ends up being \$3,000 to \$5,000 or more. And the Internet providers like DoDo, need an overhaul.
18	Dealing with telcos is a headache. They do not respond in timeframes at all and often give you the run around before getting any result.
19	Telcos understanding of financial hardship is very limited. They have no understanding of the client's capacity to pay or how to work it out. This coupled with predatory sales techniques leaves many intellectually challenged customers with unwanted products and massive bills which are not affordable. They work to a set script of responses which is very frustrating when trying to gain justice for the client.
20	With Telstra sometimes the best / fastest result is to apply for Telstra vouchers, as when you contact Telstra there is no outcome or resolution for the client.

	Comment
21	The majority of my client's credit files are damaged by previous unresolved telco debts. Where they had little to no hardship path available. They were often on contracts or sold products they could not afford that eroded their essential income for a prolonged contracted period. Forcing them to default or choose to go without essential items for their families. This was exacerbated by covid with a higher demand on internet and technology for families in low socioeconomic areas to support home schooling.
22	Telcos are much worse to deal with than banks and other utility providers. I am not sure why telcos would even compare themselves with banks and electricity companies! It can be a nightmare for clients and financial counsellors.
23	Telcos are usually really helpful when you finally get through. The biggest issue for me is trying to get through to correct person even though I have contact details.
24	Debt collectors vary hugely.
25	How much in damage would telcos get to their revenue, branding, legal costs if not for financial counsellors letting them know that their sales people sold multiple device plans to consumers on limited income.
26	Clients readily move between telcos if their existing telco is difficult to deal with or will not match competitor deals.
27	Great turnaround from Telstra. Never seem overwhelmed by volumes—unlike us ...
28	Telcos sit in moral judgement as they know that the people most affected by their business also have their latest model phone. They have no regard for them and they do not wish to contribute to their misadventure. They should hang their heads in shame, this is not the only area they hold in disregard as they interfere with health outcomes also.
29	Debt collectors vary, the standout is Credit Corp and the rest are ordinary. Telcos are where banks were 10 years ago. It should be noted that financial counsellors are shielded by the more challenging behaviour of banks as we deal directly with financial counselling teams.
30	Telstra, Optus and Vodafone have specialized departments and recognize family violence and the negative impacts that financial abuse has on women. Mobile phones are all too often used to perpetrate family violence against women by stealing the women's phone, destroying, selling etc. I find the main three telcos are compassionate and willing to assist by waiving debts and agreeing to affordable payment arrangements which has a tremendous positive affect on a client particularly where the debts have incurred as a result of family violence.
31	I literally cringe anytime I need to advocate for a client with Telstra. Optus I find are much easier to work with and have a fairer attitude. Overall though I find telcos and energy companies the hardest and most frustrating to work with to find reasonable solutions for mutual clients.

	Comment
32	Telstra are in the process of improving their service delivery from the shop front, to back end of hardship and returning equipment and hand sets and other devices that were upsold to people that could not afford them, this was due to the culture in the Telstra shops, training is also going to be delivered to Telstra staff around customer service and better practices, this all came about due to the hard work that a few financial counsellors put in over several years in the NT with Telstra.
33	Telcos on a par with the second tier energy companies.
34	My comments mainly relate to Telstra and Optus who have been very good in more recent times, the other telcos are very bad but I don't see much of them at the moment.
35	Payday lenders are by far the worst. My experience with telcos is that they are generally good to deal with, WHEN you can get onto them. The process online or chat functions are generally too difficult to deal with and get you not very far and say they will follow up and often don't. Most of these issues we need to speak to a person and that is very hard to do and particularly in that hour or so you have with a client at that time.
36	As a regional financial counsellor I encounter Telstra mostly due to their coverage. Their hardship department are helpful, they are sometimes hard to understand and during covid Telstra's service in general was very bad, my clients came to me for help.
37	The only hardship offered by telcos at the moment is when they will benefit or not loss money. It can hardly be called hardship.
38	Telco hardship practices don't seem to benefit the client but the telco. There should be more questions asked by Telco outlets as to affordability of the latest phone for someone on a Centrelink payment.
39	It is a hard question to answer as one company can alter the response for the many companies that are hard to negotiate with. Same with telcos Telstra and Optus are really good but the others are not as good.
40	Telcos first response is typically to attempt to restrict services, not always appropriate.
41	This is fairly generalised as it depends on which bank or debt collector. Some are significantly better than others
42	The impact of telco debt on a client is more than financial. Without a phone or internet, clients are unable to perform most functions (banking, Centrelink reporting, job applications, etc). Telcos have very little care for people on a low income and do not understand the impact of telco debt.
43	I have found Telstra (majority of my clients) easy to ask questions and representatives are will willing provide copies of statements, however when addressing matters, particularly in complex cases, obstructive and non-compliant.

	Comment
44	Telco hardship arrangements are unrealistic and don't offer anything that is going to benefit clients that are suffering long term hardship.
45	Telstra varies widely in accessibility and response.
46	Optus are about the same, but Telstra are worse.

Appendix 2 – Comments about mis-selling

	Comment
1	<p>Almost every Telstra client I get has a bill full of bloatware. Accessory payments, netflix, tablets they didn't ask for but got upsold on, international charges (\$48 for 3 calls??) You can get unlimited international calls for \$15 per month (less from other providers) or exploitative 'day passes' for international roaming calls at \$10 per day, late payment fees (\$15 each), business leasing plans that give almost no benefit that a consumer plan wouldn't give, but the same or more and at the end of the lease you don't own your own phone, mobile 'swap assure'(?!) and of course, the quasi-insurance payments that keep changing their names and which often require an upfront charge to use should your phone be lost or broken. Oh, and landlines being 'included' except when you make certain call types—which you get charged for. I have to admit, Telstra is the biggest offender for bloatware and overpricing—but they're also the biggest provider so the numbers I see may be skewed because of that. The most recent three Telstra bills I got: \$371pm for 2 mobiles and 1 internet connection, \$418 per month for 1 internet connection, 3 mobiles, 1 application/entertainment option and 4 hardware repayments. \$243 for 1 'essential' internet plan and 2 mobiles. Vodafone we tend to see low-cost plans (\$30pm) end up being billed \$50 – \$90 including the hardware. \$90 per month plans can be billed \$180 for the same. Vodafone also charge excessively high late payment fees (\$15 each). Average bill for one customer with one mobile was \$200 per month. Optus, \$150 per month for 1 mobile and a fully-owned Wi-Fi-enabled iPad with its own SIM card she didn't need in order to use but was too ignorant of that fact to protect herself from salespeople. Optus also charge \$15 for late payment. Not sure if they still charge for paper bills (\$2 something) but they used to. Another Optus bill was \$130 per month for one mobile, including \$100 per month for the plan, \$14 'device protect' insurance (plus excess if you actually claim—anywhere from \$100 – \$350). I have never, ever, had a client say 'I told them I was on the pension and they helped me find the cheapest phone of their range and the lowest-cost plan' or 'they told me to get a cheap phone from Kmart first and then come back for a plan'.</p>
2	<p>Clients with plans that include overseas calls are sold new plans with telcos saying they are cheaper, later clients find out that the countries that they could ring in the past aren't included in the new plan.</p>
3	<p>One client was involved in a scam where an employee at Telstra was most likely involved. My client was left with a contract to pay and no phone.</p>
4	<p>Accessories added while renewing mobile plan. Client understood there were part of her mobile plan. Financial counsellor is the first to explain her that she signed to a 36 month contract to pay for those overpriced items.</p>
5	<p>Commission based sales always results in inappropriate sales practices.</p>
6	<p>People being sold several phones and tablets for themselves and other family members, but they are the one solely responsible for the bill, and they are often on Centrelink.</p>

	Comment
7	One client now owes \$15,000 to Optus, even though 3 years ago his debt was waived due to incapacity to pay. Been sold plans for multiple phones/watches since.
8	A lot of people are upsold additional products on top of the product which they originally wanted.
9	Multiple phones with multiple providers is a regular feature amongst my clients. Perhaps restrict resale via pawnbrokers and cash converters.
10	Upselling—products added onto plan which were not affordable to customer (e.g. extra media boxes with a phone/internet bundle, which customer wanted but couldn't afford and billed for anyway).
11	Clients on Centrelink payments continually being upgraded and in hardship for items like smart watches which should never be added to a plan.
12	Contacts that are not affordable and selling multiple products that do the same thing as well as add-ons such as cases/protection. selling products to people that do not understand what they are getting such as the elderly and people with disabilities.
13	Especially those on Disability Support Pension
14	Long term telco customers seem to pay a loyalty penalty for remaining with their same plan when better plans available. Devices that provide no real benefit are included in overly expensive contracts. Some have additional devices that they don't use eg a tablet linked to a phone plan—tablet is not used
15	Client on Disability Support Pension provided with smart watch, iPhone and iPad and unlimited internet from store. This is not responsible lending.
16	Instead of assisting clients with phone repairs they sold new unaffordable devices and plans. Clients were also sold other devices e.g. iPad /watch and extra data plans which were unaffordable to the clients.
17	Disability Support Pension recipient sold into a business plan to be "eligible" for a plan.
18	One client entered into a lease contract for an iPad and iPhone while unemployed due to COVID with JobSeeker the only income.
19	The clients themselves don't understand what they have been signed up for. Perhaps the on the ground staff, besides signing them up take the time to explain the ins & outs of what they are signing up to. I've had clients signed up back in December 2020, to Telstra and they have added on speakers, earphones plus the contract mobile phone. But the billing is description is different. I've had a lady signed up with Optus, not aware that her bill is hit with a \$15 late fee, as she doesn't pay the whole bill. The client was not aware of this.

	Comment
20	Majority of them have multiple devices when they only wanted 1 service, especially Telstra customers. The ones that have only the service they wanted had to be really firm in dealing with the telco and refusing the extra offers.
21	Sales staff on commission when the stores are franchises.
22	I had an intellectually handicapped client who was offered a new and additional product every time he phoned in to say that he couldn't afford to pay his monthly account. He ended up with 5 mobile phone numbers and a multitude of products and services that he didn't use. Total account was \$586 per month for a person on a Disability Support Pension.
23	They have also been also able to add extra phones, why at the start of a contact for ONE would you need two phones? And they are also offered tablets, in order to then upsell plans as the plan they may have chosen wouldn't support the data needed for the tablet. No one asks the questions they are happy to sign up.
24	Client upsold phone while on JobSeeker for 24 months that clearly they cannot afford based on budget which led to them falling behind with their essentials including rent. This resulted in a NSW Civil and Administrative hearing (re the rent). It was easier to negotiate with the pay day lender and landlord than the telco.
25	Client purchased a phone and plan for his girlfriend, couldn't pay, relationship broke up, he has an intellectual difficulty and thought the telco would just follow her—didn't understand that he owned the debt. Then there's all the hassle of TIO complaints. Another client was sold a telco service that included a modem which he never received, and then was told to pay over \$700! Another client with severe mental health issues can't make calls—she lives in a remote area, social support is her lifeline—and she hasn't understood anything about why the telco keeps stopping her calls.
26	Illiterate grandparents with home data/WIFI they are unable to use and sold the most advanced iPhones on plans that often show zero use.
27	Client do not normally admit to this.
28	Aboriginal clients in the Pilbara are offered inappropriate products and have been unable to use Telstra because of debt. Telstra is the only reliable provider for remote travellers.
29	A single mother of 4, sold new tablets and mobiles when she had a housemate stealing them and was being charged \$600 per month.
30	Especially the elderly clients who don't always understand what they are signing up for.
31	Mis-sold? I'm too sure that I know exactly what that means. I'm certain that affordability of phone or 'plan' is not assessed thoroughly.

	Comment
32	Many clients are coerced into unaffordable plans or unnecessary plans. Clients are constantly being "upsold".
33	Clients with addictions issues – alcohol and other addictions, gambling—routinely purchase phone to sell for funds to meet their addiction. This activity is now being seen in the asylum seeker community.
34	Too often clients on Disability Support Pension and aged pension have top of the range plans with many extras that they are not able to afford.
35	Upselling to most expensive models, not really required by customer.
36	Majority of clients have more than one service on their bill making it unaffordable, also paying monthly for items such as keyboards, headphones, iPads etc.
37	I work in a very poor area, I see many clients, on pensions that have been up sold to big plans, they do not need and most of the time cannot use. I hear regular stories from clients that go into the telco stores just for a pre-paid mobile and walk out with a very expensive mobile with all the extras and an unaffordable plan. I asked one of my clients if she felt comfortable to tell the salesperson she did not want and could not afford the plan or the phone, the client said she felt too shy to say anything.
38	Unaffordable plans and add on devices are a problem.
39	At least 60% cannot afford their telco contracts due to overselling of devices.
40	Most of my clients are on very expensive unaffordable plans, they're with Telstra and they stay because they think it's a better phone reception because of the area they live in.
41	A lot of clients believe that there would be no added costs/the items were included in the deal, until they receive their bill. The way the products are explained is very misleading.
42	This has drastically improved recently and again mainly referring to Telstra and Optus.
43	Not so much the plans, but expensive phones that they often are unable to afford.
44	Mostly CALD community. Seems to be a high-end product sales priority by staff in stores without diligence or care.
45	The closest Telstra shop is 50kms away, they are happy to sell products to my clients, who sometimes have mental health issues and really don't understand what they are getting. I then need to work with them to sort matters out, they are usually on a contract and hard to get out of.
46	Clients with impaired mental ability, unable to say no, to an upgrade, or did not fully understand the payment plan, or amount of internet usage.

	Comment
47	I work with clients that were directly affected by Telstra's wrongdoing which led to the impending court date and have also helped clients who were signed up by Optus and Vodafone when they live in areas that have no coverage using these providers.
48	Client sold an iPad instead of a phone. Clients sold unaffordable phones and plans. Client with three different broadband plans at the same time.
49	Affordability is a key issue, there needs to be some assessment of clients' financial ability to afford the product. Often the customer is pushed into financial hardship because of a phone contract or a package bundle that is unaffordable on their current income.
50	I am always conscious of overselling and inappropriate telco products.
51	This is one of the most common problems that I see. Clients on Centrelink with \$100/ month sometimes \$200 plans, often for devices they don't use.
52	Elderly people in nursing or retirement homes being sold tablets they cannot afford and don't need and can't use.
53	Particularly relevant to online sales. I have recently had 4 older clients and clients with some cognitive impairment being sold technology they have no clue how to use, or allowing multiple plans the total of which are unaffordable. Telstra seem to have been the worst for this.
54	Client on a Disability Support Pension was sold 3 phones, one for mother, one for the brother, (as the mother and brother had bad credit rating) now the client with the disability has overdue notices on both the other phones (she is left with the debt).
55	Clients up sold unaffordable devices and accessories in store when previously having been provided TBAP vouchers and had existing unmanageable long-term debts.
56	Client and support worker went in Optus to reduce payment plan—client walked out with a new iPhone and bigger plan ...
57	We see a lot of people from the CALD community who have acquired phone / internet contracts who do not understand what they have signed up for contracts they simply cannot afford.
58	Often with intellectually compromised people and people with mental health issues.
59	Telstra frequently upsell and provide unaffordable contracts.
60	I have a client on Disability Support Pension who purchased a smart watch then pawned it. Returned to the telco store and purchased another to replace it. Pawned that. Purchased a third. On Disability Support Pension, 3 more contracts lumped together on to her original phone contract making it completely unaffordable so she ended up disconnected and without an essential service.

Appendix 3 – Comments about specific groups of clients

The question was: “We’re interested to know if there are any differences in casework experiences for telco debts/issues depending on geographic location (e.g. regional/remote vs city) or population groups (First Nations, people from refugee backgrounds) or other factors. If you have any perspectives about this, can you write a couple of sentences and explain? This will help when we talk to the telcos about where things could change or improve.”

	Comment
1	First Nations are often sold plans and phones that do not work in remote areas.
2	I have no experience of differences as we are in Sydney metropolitan area with a fairly homogeneous client base.
3	I have only worked in Perth metro area. Telco are just a small part of what we see. Main perception is that they’re over-priced, the portion of the phone you pay off each bill is too small and if you can’t afford it because you lose your job/rent goes up, they never say ‘no problem, lets drop you to a super-low-cost plan and extend your hardware repayments so they can go down too’. Often the most cost-effective solution is to change to another provider (often dropping \$100 – \$200 per month bills to \$10 per month), break contract with the original telco and make voluntary repayments to them of an affordable amount while fighting for a formal payment arrangement that meets the client’s ability to repay rather than telco’s arbitrary timeframe demands.
4	For some vulnerable and remote demographics, quite often ATSI clients, a smart phone is the only real platform through which they can engage with supports etc. in the outside world. So I do feel it is important that any hardship arrangements prioritise them keeping the phone, outgoing domestic call capacity and some perfunctory data allowance. Less so for people in larger metropolitan centres.
5	First Nation people and refugees deeply affected by unaffordable contract and plans.
6	Older people often sold products they do not understand, do not use and cannot afford.
7	Young man with intellectual disability, DSP only income. Sold phone, iPad and apple watch.
8	Having to work mainly with overseas call centres makes achieving reasonable outcomes difficult and usually are not achieved in a timely manner. Many arrangements once made are not recorded accurately and issues need to be re-addressed.
9	Sold unaffordable plans that usually had services attached and the consumer did not know.

	Comment
10	I have not had any clients in recent times with telco debts. Data limits seem to now be under control. Things were a lot worse when salespeople were on commission and vulnerable clients valued the products so much. Goods were being sold left right and centre with zero affordability checks.
11	The salespeople within the stores can be very persuasive and most of my clients don't identify as having any form of affordability assessments when I ask them what happened when they signed up. Many identify that they can't afford a product to the salesperson but this concern is often ignored or minimised so the customer goes ahead and signs up. Many people, especially those with disabilities and/or mental health issues, rely on their phones and tablets for communication and connections to community. When these important links and basic needs are threatened, people prioritise telco contracts above other needs like housing and food. The system is also set up for elder abuse and other forms of financial abuse to be evident and ignored.
12	Clients who are non-native speakers are not understanding the conditions of plans and store salespeople are not explaining things clearly to them.
13	Disability intellectual vulnerable cohort.
14	There are places where Telstra is only option and their rates are much dearer than competition. That's unfair for people in financial hardship.
15	In rural settings—clients have sometimes purchased items when visiting a larger town/city. When they are having problems, that are frequently told to visit instore and don't understand when told this is not possible.
16	CALD clients struggle with understanding fees and charges, they are often not explained in plain English.
17	Not much different people find their own levels of incompetence.
18	In my experience no difference at all but i do notice the difference if a client went into the telco or branch or if they purchased telco goods or plans at general telco shops like phone shops.
19	Not sure about different population groups or regions but there could be better explanation of the responsibility for the account holder where here are several people using the service on different devices, plus more thorough credit checks and affordability checks if the customer is solely on Centrelink for income.
20	I think they should understand language barrier is a big one for CALD clients who do not understand policy and rules on contracts.

	Comment
21	One factor relates to clients experiencing homelessness. In such circumstances, phones are often lost or stolen—sometimes clients are even assaulted and their phones stolen. In such instances, I would like to see a waiver of their phone debt and no default listings as these clients are extremely vulnerable, have no control over what happened, are often experiencing trauma and PTSD in addition to other mental illnesses, and are not in a position to repay the debt. By listing them as default on their credit file and not waiving the debt keeps them in a state of disadvantage and prevents them from moving forward positively with their lives.
22	Not sure.
23	We regularly see First Nations people and those suffering mental health issues being sold products that they can't afford and will be unable to use in their locations due to network access. Majority of the times people are actually unaware of what they are signing up for and how long the plans actually are and the total cost of the plan.
24	CALD customers—may require more support understanding/ navigating the systems, language barriers. First Nations—Challenges understanding service and product, possible telco lack of transparency, distrust of bureaucracies.
25	First Nation and refugee background tend to get talked into plans that are expensive and do not meet their needs. Elderly people have had their phones disconnected, after their plan was changed by the telco - they were on the priority assist program.
26	Clients on Centrelink, Aboriginal people seem to be upsold a lot.
27	I'm unsure, I am based regionally but have wondered if they are saying authority forms also need to be taken into Telstra shops in the major cities.
28	We do see clients who have been talked into taking out products which is for the friend or family member and the client ends up with the debt and no benefit of the goods.
29	Rural areas don't have the same competition. Clients are sold internet services that don't work due to coverage issues, and then when they try to cancel are told they have to pay.
30	In my experience clients from CALD backgrounds often have the highest plans, handset and plan as opposed to cheaper handset and prepaid which other clients have. These unaffordable plans are usually \$240 or so a month and usually the client is on Centrelink. Increase in clients with these plans as COVID19 supplement made these more affordable, however they are now no longer affordable due to the COVID19 supplement ceasing. I am seeing an increase of clients presenting with this problem. In some cases their accounts have been suspended or cancelled.
31	I feel vulnerable clients in general are taken advantage of as they don't understand what the contracts entail.

	Comment
32	I am seeing more families with high devices plans they can't afford...accelerated by Covid, society/education is increasingly phone dependent and it would be good corporate citizenship for Telcos to improve their assistance to people who are targeted by expensive marketing dollars and the desire to provide for their children's education.
33	A lot of our First Nations people don't understand what the new technology is about when they are offered it. Or they don't know the consequences of signing up for the products.
34	There seems to be a communication breakdown, as Aboriginal and Torres Strait Island people, feel the telco consultant does not understand them and what they are asking. Which is why they seek assistance from a Financial Counsellor. I have had an Aboriginal man from the local community of Yarrabah needing assistance, as Telstra was not giving him back his refund, even when he and his mother have tried themselves to self advocate. I have had a gentleman from Thursday Island, due to being misunderstood on what they are asking, due to their broken language (Kriol).
35	Llower socio economic clients were targeted (pressured into unaffordable contracts) before 2020 in rural areas where I was working. I left that position Dec 19.
36	I feel that staff in any telco store are told to upsell because they get commission on this personally, they are pushed from higher up to do this and if they don't they get questioned.
37	First Nations and remote people more likely victims of up-selling and add-ons by telcos and their reps. Clients on low incomes sold exorbitant 24 month contracts. Vulnerable clients more likely to break/lose/have stolen electronic items.
38	We have noticed here in regional NSW (Broken Hill) that the majority of our clients have been up sold products that they never could have afforded. This has been discussed with Telstra at length as it seems to be our Telstra store at fault.
39	Overall the whole experience needs to change. If they call up, they are told to go into a shop front, if you go to the shop they tell you to call. When working remotely it was worse to deal with telcos, a lot of the devices and services that clients had were not suited to what the client needed and their location. Some clients had Wi-Fi services and mobile plans in areas that had no internet. You can tell when dealing with telcos that they are just trying to get a sale, not in the interest of the client at all. The hardship procedure is a nightmare to deal with for all of them. It can be months before you get a response for a client.
40	Aboriginal and Torres Strait Islander customers being sold inappropriate plans—no service in the area. Upsold equipment that was not needed. Contract confusion not knowing what they have signed. Taken advantage of due to low literacy.

	Comment
41	I believe that telcos prey in vulnerable clients—see above example. I have also seen several instances where refugee parents are paying for expensive plans for their children—often 2 or 3 children in the family will have phones on contract. They believe that their children need expensive phones and data plans, which then adds to the financial stress experienced by the family. It's time to fully investigate the client's capacity to pay and/or offer reasonable discounts/affordable plans to vulnerable client's and families Its time for Telcos to educate their sales teams and make them accountable to act responsibly.
42	Telcos in the Adelaide Northern Suburbs often “befriend” lower literacy or disability clients. Also CALD clients also don't understand contracts and use their children to interpret the English contract.
43	Regional areas—refugees with English not being able to understand what telecommunications products they have been sold—not needing them in basic packages.
44	First Nations people often sold multiple phone plans for phone they no longer have in their possession and no resolution to this issue offered before selling more items. Young adult, teenagers getting into contracts cannot afford.
45	Postcode 2760 is one of the lowest socioeconomic areas and the clients are sold devices above their needs and have a limited understanding of their internet speed, including downloads and uploads. They are guilted or speed talked into getting packages that are beyond their need and budget.
46	I work in a regional area, servicing people with high needs e.g. Aboriginals, immigrants, people living with dementia, people with intellectual disabilities. Some are only minimally using their phone because they can't even understand how it works. When it comes to payment, they have NO IDEA what the service is, what they are paying for. Clients have sundry charges for services they aren't ever going to use. It's disgusting.
47	Rural NSW—low literacy clients and clients on welfare only income and cross-sold multiple devices they are unable to afford.
48	None noticed.
49	Regional are definitely disadvantaged as sold products that can't be delivered or service is no good.
50	I work in northern/north west suburbs and we work with 20% Aboriginal and 10% refugee clients and haven spoken with other workers and there does not appear to be any issues different to the financial counselling clients we deal with. Teenagers really struggle with mobile phone accounts but rarely ask for financial counselling assistance.

	Comment
51	General acceptance in Telstra stores in remoter towns that one person can purchase 3 or 4 items and pay for it all themselves. I think there is the probability and possibility of financial abuse and elder abuse at play here that staff don't recognise or acknowledge.
52	People from CALD backgrounds are usually sold unaffordable plans, devices, extra accessories and insurances that they don't understand. To me, it's exploitation.
53	First Nation clients find it very hard to work with telcos.
54	Regional clients do not receive the same opportunities as city clients due to the limited number of telcos operating in regional areas, even major regional towns will only have Telstra and Optus.
55	My perspective suggests the hard sell tactics in store are a significant factor in creating hardship and that this happens in places and to people who are more vulnerable. e.g. a Disability Support Pensioner in South Australia. Poor person, poor area.
56	Telcos should have similar hardship plans. Smaller telcos sometimes outsource their service team abroad and there is issues dealing with staff in those countries.
57	From my experience young people and the elderly are the most vulnerable as they are sold products inappropriate to their level of understanding, needs and capacity to pay.
58	Yes with remote First Nations people who have limited English.
59	Domestic violence issues not addressed adequately despite Telstra having that type of assistance.
60	Clients who are new arrivals to Australia or on JobSeeker being sold high plans with unaffordable monthly amounts.
61	CALD clients are particularly taken advantage of.
62	Assessments must determine if ID used is positively Identified as the customers and not another family members etc. and/or determine that the customer is not under duress from family violence perpetrator if present at the time.
63	Telecommunication is an essential need in this day and age. We have older clients in the Northern metro suburbs of Adelaide who go into Telstra stores and get upsold extra devices they do not need or intend to use such as tablets and speakers.
64	My experience with clients that were referred by their NDIS support worker has been positive. The Telco has responded extremely well in every case with great outcomes. If it was a client without an additional support worker, the Telco hasn't been as supportive in every case.

	Comment
65	Clients with mental health issues are often the most vulnerable and are caught out with telco plans that are not suitable for them.
66	I see a lot of people from non-English speaking backgrounds, who have been sold additional products they didn't ask for (tablets, home integration, security, products for family members).
67	People with literacy, learning difficulties or disabilities that are totally inappropriate for them.
68	People of non-English speaking background sold plans that are not useful for the client's needs.
69	I find the telcos very understanding when it comes to clients that have a family violence background which is great. They seem to understand the barriers and help by waiving debts and having specialised contacts within them to assist the client to set up safety features/cancel plans that may have been taken out in their name by the perp.
70	Upselling in many of the telco stores has been difficult for First Nations people and the poorer wider community that I see and work with, big plans, extra phones and tablets . All of which is then handed to relatives and extended family, who do not pay. Telstra is currently undertaking changes within their shop front culture. But as I have already stated this only came about due to a few NT financial counsellors working really hard over the last several years .
71	Unsuitable products sold to First Nations people.
72	Newly arrived refugees are likely to be sold devices that they don't need and can't afford. They struggle to make payments and often default or prioritise paying telco bills ahead of rent or food.
73	Telstra was a major issue in Central Northern Territory with misselling and unaffordable contracts. Rural Victoria is lack of coverage forcing clients into contracts with limited suppliers and unwillingness to assist in hardship putting many accounts to debt collection agencies.
74	First Nations people having products and if on healthcare cards they cannot afford them with no cap and then getting extremely large debts they cannot then meet payments on.
75	Low income consumers.

	Comment
76	There is still no understanding among most telco staff of the challenges faced by remote Indigenous people when navigating telco products and sales practices. There is virtually no understanding of the following issues by store staff, call centre staff, or hardship and resolution staff:—the need for cultural awareness training;—gratuitous concurrence;—the lack of phone coverage on remote areas;—cultural obligations to lend or give away expensive devices;—the pitifully low incomes of many remote Indigenous people;—over-crowded living conditions;—an almost-total lack of land lines in homes;—an almost-total lack of home internet, home computers, or a home office;—language barriers—English might be a customer’s third language;—humbag from partners and/or family members pressuring people into telco contracts they can’t afford;—letters from telcos advising of debts don’t reach people—partly because there is no home delivery of mail in the Outback.
77	Telcos seem to prey on people offering device upon device without checking affordability. People who are intellectually challenged from any range of backgrounds are most susceptible to extra devices on expensive plans they don’t need and can’t afford.
78	Regional areas see most clients signing up via phone and not understanding the costs properly.
79	The biggest thing for many financial counselling clients is that too many simply do not understand what they are getting into and don’t understand contracts. There needs to be a simpler contract or statement to help. Also the more remote people are, the harder it is to access the help and using online or Apps to manage the process is more difficult for those that are not good at using technology. Elderly in particular.
80	It is significantly worse for First Nations people especially those living in remote communities.
81	I see problems mostly in metro areas with high density of CALD community. Family violence support and understanding is deficient within the smaller telcos.
82	As mentioned, being in a rural area, the local Telstra shop is 50km away (no public transport) so when we are calling for help it is our only way. As a financial counsellor I have a number to call to speak to someone to try and sort out matters, but if it is not a hardship query (understanding the product or service) then we get transferred to the general lines. This can be very frustrating. Telstra’s customer service has decreased dramatically since COVID. I personally could only ‘text’ talk to a person in Telstra about unlocking a phone number. The issue was never resolved.
83	I have experienced clients with mental health issues and vulnerability being add sold for products they can’t afford or even use such as 3D goggles, tablets and in particular iPad where the client’s phone was an android and unsuitable.
84	It’s harder to receive a fair outcome if you’re not close to a shop and if English isn’t your first language which is often seen when you work with remote Aboriginal people. Hence the ACCC investigation into Telstra.

	Comment
85	There are a more telco debts and larger debts amongst remote Indigenous people. I used to work on the APY land but now work in the Adelaide suburbs.
86	Whilst, I have experienced some instances of unsuitable policies with non-English speaking clients I am starting to see many clients with disabilities being sold plans that are not affordable.
87	Clients in rural areas are forced to pay for a landline when this is not required. Unlike major cities there is no option in the NT to not have to pay for a landline.
88	Just from observation it seems telco sales staff push the latest product rather than what is best for the client.
89	People with poor credit who don't want the product but don't want to say no agree thinking they it will be rejected but then they are stuck with the product. When they try to get out of it they are told they will owe \$1000s of dollars.
90	I have seen a few clients where English is not their first language being sold devices that they had no idea how to use.
91	First Nations mostly affected in remote locations.
92	Noticed a difference toward more valuable clients in general.
93	I have a lot of clients that have just been released from prison with phone plans they couldn't cancel, that they have not received the phone due to the timing of going in jail.
94	Just better affordability assessments all round.
95	Most telco clients present with devices that cause financial hardship due to high monthly cost (device and plan), those in the CALD community tend to have more add-on devices included in the plan (iPads etc.)
96	Elderly people are targeted.
97	Most of the clients I have worked with around this issue have been in rural areas but Tasmania can be considered almost all rural.
98	People with English as a second language are signed up for contracts they do not understand. Young people (especially those turning 18) with no adverse credit rating are able to sign up for an expensive contract they cannot afford. First Nations people taking out contracts for family members who have been rejected, and end up with 3 or 4 accounts in their name.
99	Sydney area—gambling related debts, where clients sign up to 24 month plans and then sell the device so they can gamble.

	Comment
100	First Nations and other regional/remote clients being upsold products/plans that are both unaffordable and unsuitable for their needs. This is a recognised issue but does still appear to be happening to some extent. There are also clear issues around clients understanding contracts/payment terms before signing.
101	Locations of telecommunication towers holds a strong influence as to the imbalance of power, particularly in rural communities which are often are impacted by limited choices. Limited educational attainment reduces purchasing capacity of choice, self-advocacy skills and support resources. Geographical remoteness places a higher value on the services, increasing the need for reliable communication for the purposes of safety. Access to call 000, VIC Emergency Alerts, other safety advice, medical support services and appointments, family violence outreach, mental health supports and contacting family when in crisis are only available when good telecommunication coverage is provided. Given additional geographical challenges to receive emergency assistance, limited service options clearly should place a greater burden of responsibility to the telecommunications providers.
102	Clients are being up sold telco packages that are not fit for purpose, this includes multiple mobile devices, iPads, smartphones and ear buds. Older clients are being upsold excessive data that they don't even use and subscription services. Telcos are the most challenging companies to deal with around hardship and having any empathy or understanding of family violence.
103	People who are vulnerable as in speak English as a second language and elderly seem to be people with issues. Along with FV clients.
104	As telco shops rely on sales targets, there will always be customer complaints and unconscionable contracts for our clients who are not just people that are from CALD or Indigenous background. The hardship departments I feel are extremely unreliable and mostly are located in overseas call centres that do not understand Australian hardship processes or law. This makes our job more difficult to advocate and often end up with complaints to the TIO.
105	Most of the clients I see with unaffordable Telstra debts are Aboriginal or Torres Strait Islander and receive Centrelink.
106	Multiple contracts—financial abuse test.
107	In our regional area clients tend to return to the point of purchase to seek tech support with a product instead of going to an Apple store (for example) in the city. Clients are often just trying to better understand their phone or have a simple question but are often sold 'solutions' which include new phones and tablets or data packs instead of showing the customer how to turn on Wi-Fi.

Appendix 4 – Any other comments

The final question was: “Is there anything else you’d like to tell us about working with the telcos?”

	Comment
1	Had issue in past with telcos recognising elder abuse. Allowing clients to enter into expensive contracts with numerous appliances without assessing affordability.
2	Would like to see telcos suggesting products in best interests of clients versus best interests of themselves, for example, client with intellectual disability given build your own product which cost \$140 a month, similar and better product available for \$55. Once financial counsellor involved, Optus willingly transferred client onto cheaper and better product—hardship team great and annoyed that other Optus staff had apparently exploited client in store.
3	Refer to my comments above about the difficulty of just communicating with customers.
4	In cases where clients missed a few payments but do have the capacity to resume normal payments/just need to catch up, telcos are generally pretty okay with accepting whatever payment arrangement is needed. The main trouble happens when clients can no longer maintain their contract at all and can’t/don’t want to return the hardware because they still need to be able to call people for job interviews, doctor appointments etc. One of the first things we do for *every* client is check how far they are from telco contract end and how much they’re paying. Telco is one of the easiest places in the budget to cut costs, just by changing provider. Most major providers sell dramatically over-priced products and services.
5	No question in my mind that they are on a positive trajectory in terms of how they deal with hardship.
6	Telstra hardship practices have improved 100% since Covid and bringing all hardship related matters back to Australia. I am now listened to and my clients are having much better outcomes. I no longer dread ringing the hardship team.
7	Sales staff in telco stores do not appear to be adequately trained to deal with clients from CALD or vulnerable backgrounds. If telcos believe their staff are adequately trained then the only conclusion is that their staff are taking advantage of clients with challenges. Sales targets appear to have the same issues in this industry as banking.
8	I have been a financial counsellor for over 7 years. I still feel stressed when a client presents with a telco problem as I know it will be harder to manage. I would rather they had 10 or 12 credit cards than 1 telco debt.

	Comment
9	I recently had an Aboriginal woman as a client. She was living in a women's refuge after escaping family violence. It turned out she had been sold two tablets, two mobiles, a headset and watch all at a Telstra store in xxx. An egregious case of mis-selling. Her income is Centrelink JobSeeker (and was at the time). The mis-selling to Aboriginal people is not only remote! Telstra did fully remediate after I helped. Their first offer was a repayment arrangement—a completely inadequate response given the current ACCC investigation. This indicates the problems identified by the ACCC are far more widespread.
10	Consistency in training outcomes for their staff. Better access to hardship departments without long wait times and disconnection to access department.
11	It can still be frustrating when speaking to somebody in an overseas call centre and them not understanding that a sale can be made to somebody in Australia that speaks little English with their main language an Indigenous language—a contract with little understanding. Telcos must not walk away from Sylvan recommendations. Anything less shows arrogance.
12	Telstra have lots of systems in place for financial counsellors to use but would be either not able to be accessed by customers themselves or not able to be navigated through self-advocacy. Many more people in community are affected by telco bills and debts than the ones that access a financial counsellor.
13	If a financial counsellor makes contact please trust the process we call for help on behalf of others, please take us seriously.
14	Some a great, and some aren't. The hardship that they can offer can be a make-or-break situation for some clients and their finances
15	TPG accepting FCA third party authority horrendous
16	Only what you already know. We need to keep working with them
17	They persistently oversell products eg a client goes to purchase a phone... but leaves with 2 phones, an iPad, coupled with an expensive, unaffordable 3 year contract
18	Telstra and Optus work well with financial counsellors but not so well when clients ask for help directly. Vodafone is beyond shocking to deal with, no help at all.
19	I feel if they had much clearer internal processes and compassion for their customers it could save a lot of financial counselling hours working on getting acceptable results for our clients. Customers don't often get appropriate responses and so turn to financial counsellors for advocacy.
20	Telcos need to take more responsibility for their agents (phone shops, general shops) selling the telco's goods and plans and take the time to resolve their customers issues / complaints / hardships/ repayment plans and not just refer to financial counsellors

	Comment
21	They have an important role is helping people stay connected to their phones so their hardship departments need to be realistic about people's circumstances and not put them into payment arrangements they can't afford, but not completely cut off the service either, especially during the pandemic where people are isolated even more. They should continue to improve their hardship departments and there will be increased demand for hardship arrangements in the following years.
22	Be more lenient. The contracts are so complicated and many are just signed without being explained and then people find themselves in lock in contracts for few years.
23	Make it easier to cancel contracts which were unaffordable. Telcos to do more capacity to pay before selling products, especially to those on Centrelink payments.
24	There is no acknowledgement this is a credit product when a phone is purchased on a plan.
25	I have heard on the grapevine that Telstra is going to go to direct debit. I recently had an issue with a telco company that only does direct debit. This makes it absolutely impossible to help clients with their debt.
26	No—we just keep fighting the good fight!
27	Telecommunications have become an integral part of our culture. They have a substantial role in access to services, information, physical health, social and community connections including mental health. Staying connected is important but there are many circumstances where things have gone astray for a variety of reasons. It is increasingly important to show social responsibility by providing ongoing support options, such as those offered through financial counselling.
28	They lack empathy and are hard to contact.
29	Telcos upsold clients too much.
30	Main requirement is looking forward to a predictable, timely and reasonable outcome.
31	Often take cases to Ombudsman for resolution.
32	If you get the right person at Telstra they are good but the service is not standardised. Had issues with hardship application for Vodafone.
33	Telstra seems quite good, Optus OK and Vodafone is not good.
34	I find dealing with off-shore call centres very frustrating and not very efficient time wise.
35	Poorly trained hardship staff. Lengthy negotiations to obtain substandard outcomes.

	Comment
36	Currently experiencing long delays getting a case manager to communicate with. I've had a client using message Telstra to communicate. After the client stated there was a FVRO in place and they couldn't contact the other party they were asked 3 times to contact them.
37	That treating every client equally. That those that have a complaint, are not shafted and set aside to wait for an hour to get served. And those that are getting a new service are served first, before those that have a problem.
38	Very occasionally you get a helpful worker who solves the problem fairly quickly.
39	I find telcos very hard to deal with some of them have complete lack of empathy.
40	Aboriginal community residents find it very difficult to communicate with customer help lines due to strong accents. Not flexible in the approach to see matters individually—one solution should fit all attitudes.
41	It's very frustrating being shunted between overseas call centres and "Head Office". It's also surprising how often the phone line "drops out" when calls are being transferred, during long times on hold or when you've requested for the call to be elevated to a higher authority. Another annoyance is being informed that the person you are speaking to cannot transfer the call to another area. Sometimes they cannot even provide you with the correct phone number and if they do you are still in long hold queues with the possibility of the line dropping out. Telcos seem to be quite technically inept—or is this just a ploy to delay dealing with customer/ client issues?? It's all so frustrating especially when it's often the telcos poor practices that have put the client in such a difficult financial position.
42	Even if they could just get on board with fair and reasonable hardship policies and practices. Also if there were more questions asked in the retail space to begin with.
43	Belong have no contact number for financial counsellors—and if you get through to someone by email (difficult) they have no way to add a financial counsellor authority (only personal with DOB). Luckily one of the Belong workers also works for Telstra and was able to give me her direct details, but I was almost about to make a TIO complaint. Should be investigated by FCA!
44	They do not all understand or respect the role of a financial counsellor or provide a clear path for an authority and respect that nature of the authority to support the client. Which means pressure is maintained on the client.
45	Telcos need to be accountable to the people using their service. They use service representatives with accents that aren't easy to understand, there's no connection with anybody in the organisation, there's long wait times, they aren't aware of their rights, they don't understand the service their purchasing, people in stores are young men who know how to work their phones—but my clients are widows, elderly, disabled who are treated without any regard for human compassion. It's a bloody sale—that's all telcos are interested in.

	Comment
46	They don't listen and are generally very unhelpful. Would be good if they were able to speak and understand English and were in Australia.
47	Telstra is working towards better sales practices which should reduce complaints and difficulties. Optus listened and acted better during lockdown period.
48	I personally find Telstra the best telco to deal with but it is hard sometimes to get to the right staff members even with direct contact numbers. COVID-19 has been a big challenge. They have a great certificate system but not all clients are aware of the process—they are not advised to seek financial counselling assistance.
49	Understanding the consequences on venerable people experiencing family violence and dual diagnosis (addictions/mental health) as they should not be re victimised when dealing with telcos.
50	Telcos need to get onboard with us.
51	The hardship teams seem to have no impact on the reliance upon the 24 month purchases of the latest model 'phones, where there is a real lack of knowledge about what people are buying and the different extras added to the bill.
52	The telcos I have worked with do not treat customers/financial counsellor representatives respectfully until the telco Ombudsman is mentioned.
53	Like cigarettes they were originally given to children in packs of three—after most of the population were hooked then the prices went up and up. Telcos have got everyone hooked they now have cart blanche to do as they please even if it effects people in poverty. Try to find a phone box, any real service from them, Empathy or Understanding. Try ringing the NBN network to make a complaint—they are a protected species it is time for them to pay for the damage.
54	In the last couple of months, Optus has waived a debt without any issue and provided a small discount as well as providing advice on how to reduce the plan further. In the last month, Telstra offered a voucher to reduce the debt to nil, when a payment plan was being requested. I feel both organisations are listening to my client's needs at this stage.
55	I have had sensational workings with Vodafone, especially xxx from Vodafone Hardship Team, and xxx. They have gone above and beyond for some of my clients. Telstra do well with basics, but hard to find someone to speak to with complex issues regarding ID and business accounts.
56	I would like my clients listened to and worked with as successfully when they represent themselves as when I call and repeat my client's story. I frequently have my clients ask why their voices aren't heard as well as mine, which is a very good question.
57	I like that a case manager is assigned by the telco to each individual case. It helps to solve the issue with a more personalised and supportive approach.

	Comment
58	The solution to unaffordable phone plans/phones in the cases I have seen is surrender of the phone to the telco.
59	Telstra are difficult to deal with, it is next to impossible to get a good outcome for clients in a timely fashion. Even when going to TIO, Telstra are still tardy in their response. I have found Vodaphone and Optus easier to deal with. Smaller telcos are usually a nightmare, their hardship policies are underdeveloped and not understood by their staff.
60	Better than they were, long way to go.
61	There has been a big improvement in client outcomes for Telstra customers over the last 12 months.
62	Again, I see absolutely no reason why this sector should not be part of the proposed scheme.
63	We see and work really hard with your customers on a daily basis, that become our clients, it is offensive for you to cry foul that you don't feel you should support our sector, I am aware many telcos have had it good for many years in receiving free services from our sector, but that needs to change, you need to respect and acknowledge our profession and show your support for all the work we undertake and adopt and implement the Sylvan Report recommendations.
64	In the NT, utilities are a cause for financial hardship. Telstra has caused financial hardship to First Nations clients by selling unsuitable products. This has been going on for a while and seems to continue.
65	Slow to respond and difficult to contact.
66	They are the worst, and the TIO needs to grow a set.
67	Telco access, like power and water, is an essential service—especially for anyone striving to lift themselves out of poverty. But because it's an essential service, poor people will struggle to find enough income to cover the cost. So telcos have an even greater obligation to share the cost of financial counselling because—unlike other essential services—telcos are paying sales staff and advertising heavily to attract people to spend large sums on devices and access.
68	Overall they are slack at communication but have generally had reasonably good outcomes with the main providers and average with others.
69	Clients will pay these bills regardless because they need to keep the service.
70	Point of Sale. This is still a huge issue when clients are sold or upsold contracts/ phones/plans that exceed the clients need, for example, an 82 year old client sold the latest iPhone on a plan, she only needed a phone for emergency contact reasons and has no use for or understanding of the technology.

	Comment
71	Holistic problem solving with mutually beneficial outcomes is lacking. Approach seems very linear and focused on recovery of full debt. Telstra and Optus have been much easier to deal with than all other players in the market.
72	Apart from Telstra and sometimes Optus, working with telcos are hard work. They don't seem to have an understanding that having a phone to be contacted on or to contact others is ESSENTIAL—not a luxury. People miss out on contact from Centrelink, jobs, medical appointments due to restricted services—the impact of not being able to contact a service is HUGE and sometimes has devastating consequences.
73	As a regional financial counsellor, I need Telstra to maintain their hardship services, and improve them. Their customer service in general is terrible and clients come to me for help when they have tried on the phone themselves, as a last resort. I do really appreciate the hardship vouchers, but as many of my clients are now on pre-paid services I can't use them to assist the majority of the time. My experience with Optus (although limited) has been good, they have been helpful. I have very limited experience with Vodafone or other providers as a financial counsellor.
74	Telcos—for many Tasmanians you are the gateway drug that starts the credit cycle. Just because a contract ends, there is no need to replace the technology; however if you're young, have nothing, are living on under \$500/fortnight, a shiny new iPhone really seems like a great idea and an exciting new purchase ... until the bill comes ...
75	Phone bills should be come under utilities as the phone is now a necessity (for banking etc), not a luxury. Clients/customer should have the same financial protection as other leases/contracts.
76	I think that Telstra and Optus have improved greatly over the 11 years I have been a financial counsellor. Hardship staff are trained to respond to sensitive issues such as family violence, mental illness and other issues. Other telcos have some catching up to do in the way they respond to vulnerable customers.
77	You often have to defer to the TIO, especially prior to the ACCC Telstra investigation, to get a reasonable outcome.
78	I say that they are our biggest pay day lenders.
79	I can't understand how telcos can continue to provide unaffordable credit contracts without proper assessment ... sometimes multiple contracts over multiple providers! More recently people may have had additional money to afford repayments, but now payments have dropped I am seeing a lot more problems.
80	Never very willing to waive debts no matter the circumstances. Always argue for more than offering when trying to set up payment plans.
81	Like the banks, telcos need to have some clear domestic violence policies offering some domestice violence (or other abuse) assistance to clients, e.g. if domestic violence is proven then a phone isn't disconnected for non-payment of bill.

	Comment
82	The biggest issue is inappropriate sales.
83	There are still improvements to be made in hardship practices in this space.
84	Don't take advantage of people who can least afford it. Give them the same respect you would give someone with finances. They will be more likely to continue using your service if they are able to afford it, and more likely to be loyal.
85	The TIO could lift its game as well.
86	Staff are ignorant of hardship policies and as a financial counsellor you often find them judgmental and harsh. They say things like "the client shouldn't have signed up for such an expensive phone etc" which both ignores their sale tactics and the fact some clients are coerced by family members into purchasing products.
87	People familiar with the use of technology do not seem to have the same issues as those who think they know or know a little bit and sign up for things/plans that are not suitable for their needs. One client was sold a modem via a phone session and when he received it he did not understand that it had to be plugged in to the power or connected his tablet, he thought it was automatic. He spent months paying for something he was unable to use. Would love to see unbiased, not sales directed, training around technology and best options to suit client needs.
88	Training given to staff who are selling phones on behalf of telcos—whether the client has capacity to pay.
89	When calling Telstra on behalf of a client I was unable to get an outcome that the client could afford, so I asked to speak to the manager. Telstra asked what my complaint was, put me on hold, then came back and told me that my complaint was not valid and that I could not speak to a manager. I lodged a complaint with TIO and had the issue resolved very quickly.
90	Telstra and Optus are good to work with and try to work out a hardship plan that helps the clients.
91	With serious matters (brazen upselling/illness/family and domestic violence) most escalation points are helpful, but the telcos really do need to expand their suite of hardship options where affordability is the key issue.
92	Telecommunication companies should be held accountable when entering into contracts for unaffordable devices or selling plans of a higher cost, particularly when an individual is already clearly in long term debt.
93	Telcos need to take responsibility around selling their products and ensuring affordability. Telcos need to have a better relationship with financial counsellors. Our Melbourne financial counsellors find the process easier and less time consuming handling a mortgage hardship request than a telco hardship request.

	Comment
94	I would like telcos to take more accountability with their sales area. I would like to see Telstra vouchers accessible to people who on a business plan when they are experiencing hardship, as we saw business fall over through the COVID-19 pandemic.
95	Some of the people affected by the bushfire have said negotiations were hard regarding payout of contracts. One person was told by Telstra that to keep their phone number when they still can't offer a service (as all burnt) they would have to pay \$60 pm. Others were quite helpful but overall, everyone should have bent over backwards for people after losing everything but instead are having to fight.
96	Telstra, Optus, Vodafone, etc, etc have terrible hardship practices and this means more of a financial counsellor's time is consumed trying to help clients. Many are also very quick to move accounts in arrears to unscrupulous debt collectors that leave already vulnerable customers even more so.

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