

# Contracts, terms and conditions

Consumers are faced with a large amount of complicated information when signing contracts for mobile phone, fixed line phone and Internet products and services.

A range of consumer safeguards apply to ensure that consumers receive clear, correct and complete information and that the contracts they sign are fair.

## Can I believe the advertisements?

The marketing of telecommunications products and services can be very confusing. Advertisements that suggest a product is 'free' or a service is 'unlimited' may be too good to be true.

It is important to know the full cash price, the service costs and the limitations of offers before making a decision. Suppliers are required to properly disclose this information when they promote their products and services.

The [Trade Practices Act 1974](#) is Commonwealth legislation that prohibits misleading or deceptive conduct. It is administered by the [Australian Competition and Consumer Commission](#) (ACCC), which takes action against telecommunications suppliers about advertisements.

Representations in advertisements must be correct, and the overall effect and implications must be accurate. Misleading representations will not always be corrected by qualifications or fine print. The ACCC may take action on behalf of consumers if the main message of an advertisement contradicts the actual effect of the deal being offered.

The Australian Communications and Media Authority (ACMA) may also take action under the Telecommunications Consumer Protections Code. This code was developed by the [Communications Alliance Ltd](#) and sets minimum standards about information provided to customers about telecommunications products and services.

The ACMA can direct any participant in the telecommunications industry that is breaching the code to comply with it.

Contact the [Telecommunications Industry Ombudsman](#) (TIO) to make a complaint about an advertisement under the code.

## Which consumer safeguards protect me when I sign a contract for a telecommunications service?

Although some consumers do sign individual supply contracts, most agreements are prepared by suppliers in advance and there is little scope for consumers to vary them. Whatever the form of agreement, consumer safeguards apply to make sure that suppliers provide enough information to their customers and use fair terms and conditions in contracts.

### Standard forms of agreement

Most consumers enter [standard forms of agreement](#) (SFOAs) with telecommunications suppliers. SFOAs outline all the standard terms and conditions of the agreement to supply telecommunications products or services.

There is a risk that consumers may not fully understand their rights and obligations under an SFOA. To improve consumer knowledge, the ACMA has imposed certain information requirements on suppliers. [Telecommunications \(Standard Form of Agreement Information\) Determination 2003](#) requires that suppliers provide customers with concise, current summaries of the terms and conditions of SFOAs.

Suppliers must give each customer an up-to-date copy of the summary of their SFOA when the goods or services are first supplied or as soon as practicable after that time. They must also notify customers at least every two years that they can request a summary.

The summary must include general information where the full SFOA is excessively long or detailed, but must clearly state that suppliers will make copies of the whole SFOA available to customers if requested. Summaries must be in simple language and clear to read. They may be given with other information about the supply of goods or services.

Suppliers may vary the terms and conditions of an SFOA during the period of the contract. Where the change is negative for customers, customers must be notified before it becomes operative. When an SFOA is varied, suppliers must provide customers with an updated summary if requested.

The ACMA may determine that a particular summary is not effective. Suppliers must revise a summary if requested to do so by the ACMA.

How do I know if the terms and conditions of my contract are fair?

Fair supply contracts help consumers enjoy maximum benefits from their telecommunications products and services.

To promote best practice in the preparation of supply contracts, [Communications Alliance Ltd](#) has developed Chapter 5 of the Telecommunications Consumer Protections Code. This is an objective standard to help suppliers and customers check that contracts and practices are fair.

The code states that a term in a contract may be unfair if it 'causes a significant and unreasonable imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer'.

Fairness is not related to commercial issues such as the supply price, fees or charges or the features of any goods or services. Instead, customers and suppliers should avoid contracts with the following:

- terms that allow the supplier to end the contract, or fail to do what they promised without refunding money the customer has already paid or while still requiring the customer to pay the full contract price;
- requiring the customer to pay the supplier early termination fees or unbilled charges within a reasonable period following the termination of the contract;
- terms that automatically lock a customer into a new fixed length contract when their current contract ends; and
- terms that limit customers' rights to make a complaint against the supplier.

Fairness also has to do with the way that a contract is presented. Contract terms must be clearly expressed and avoid the use of complex definitions or technical terms where possible. The contract must be available in writing. A hard copy must be printed in a minimum of 10 point font or, if published on a website, it must be accessible in accordance with [Web Content Accessibility Guidelines](#). Suppliers should take extra measures to make sure that non-English speakers and people with disabilities understand the contract.

## More information

For more information about standard forms of agreement, contact the ACMA on (03) 9963 6800 or by email to [sfoaregister@acma.gov.au](mailto:sfoaregister@acma.gov.au).

### **Australian Competition and Consumer Commission**

Tel: 1300 302 502

Website: [www.accc.gov.au](http://www.accc.gov.au)

### **Telecommunications Industry Ombudsman**

Telephone: (03) 8600 8700 or 1800 062 058

TTY: 1800 675 692

Email: [tio@tio.com.au](mailto:tio@tio.com.au)

Website: [www.tio.com.au](http://www.tio.com.au)

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