

AUSTRALIAN  
COMMUNICATIONS  
INDUSTRY FORUM



INDUSTRY CODE  
ACIF C541:2006  
CREDIT MANAGEMENT

**ACIF C541 Credit Management Industry Code**  
**First published as ACIF C541:2000**  
**Second edition as ACIF C541:2001**  
**Third edition as ACIF C541:2003**  
**Fourth edition as ACIF C541:2006**

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## **EXPLANATORY STATEMENT**

This is the Explanatory Statement for the ACIF C541:2006 **Credit Management** Industry Code.

This Explanatory Statement outlines the purpose of this Industry Code (the Code) and the factors that have been taken into account in its development.

This Industry Code (the Code) replaces the ACIF C541:2003 **Credit Management** Industry Code published by ACIF in April 2003.

### **Background**

#### **Regulatory Framework**

Section 112 of the *Telecommunications Act 1997* (Cth) (the Act) sets out the intention of the Commonwealth Parliament that bodies and associations in the telecommunications industry develop codes relating to the telecommunications activities of those bodies.

Section 113(3) of the Act includes customer credit practices as an example of matters that may be dealt with by industry codes. Credit management was also identified by the Consumer Issues Reference Panel of the Australian Communications Industry Forum (ACIF) as a priority area which would benefit from a code of practice.

#### **Original Code Structure and Content**

The original version of the Code supported the key operational context of the credit cycle (credit assessment, collection and recovery) and outlined in one document a framework for a supplier's credit process to give consumers access to information. It also outlined basic credit management processes that consumers can expect from their telecommunications suppliers.

As part of supplying telecommunications products and services (as defined in the Code) suppliers may provide trade credit (that is retail credit without an interest charge) and credit management services to their customers.

Credit management processes include:

- the steps undertaken to enable a Customer to gain and maintain access to services;
- the minimum steps (including acceptable minimum timeframes for advising customers) that a supplier must take before suspending, restricting or disconnecting a customer's services;
- the processes which follow disconnection of services, including the collection of debts; and
- the disclosure of customer personal information to a third party that may take place as a consequence of credit management action.

For ease of understanding, the Code rules on credit processes were split into three sections: credit assessment, credit management and general.

Credit assessment encompasses the process by which a supplier determines whether a customer seeking a service will be granted the service, the terms under which the service is granted, and any restrictions by the supplier that may be placed on the service that will be provided.

Credit management encompasses the activity undertaken by a supplier in seeking payment for services provided to the customer, including restricting, suspending or disconnecting access to their service and debt collection activity after their service has

been disconnected. The section also deals with processes which may result in disclosures of personal information to, and collection activity being undertaken by, a third party.

The general section encompasses those areas of the relationship between customers and suppliers which are not specific to the segments outlined above.

This Code is intended to be limited in application to the supply of telecommunications products and services for residential and small business purposes. Large organisations are not covered by this Code as they generally negotiate contractual arrangements with suppliers that address individual credit issues whereas such negotiations are not available to individual consumers.

### **Code Revision in 2003**

The Code was revised under ACIF processes to address credit management issues identified by consumer organisations, regulators and the industry. Some of the issues that were identified and addressed in this revision of the Code included:

- dealing with a person with no credit history;
- advising customers on both the access to and limitations of credit limits and access barring in relation to services;
- clarifying the use of guarantors by industry; and
- clarifying Code provisions on the restriction, suspension and disconnection of services, including requirements to inform customers of any such impending credit management action.

The ACIF C504:1998 **Customer Barring** Industry Code was also reviewed to ensure that consumer protections in that Code would be incorporated into the Credit Management Code.

### **Code Revision in 2005**

The Code was further revised in 2005 to address the issue of consumers experiencing high, unexpected bills, particularly through use of premium services.

In response to concerns that consumers were experiencing high, unexpected telecommunications bills, the Australian Communications and Media Authority (ACMA) (then the Australian Communications Authority (ACA)) made two Determinations requiring suppliers to provide their customers with information on various categories of premium services, the financial risks involved in using the services, and tools available to customers to manage those risks. Subsequently, the ACA released a Discussion Paper that recommended suppliers assist in the management and control of consumer expenditure, with the aim of minimising the incidence of consumers receiving high, unexpected bills.

A forum on consumers experiencing high, unexpected bills, held by ACIF in October 2004, recommended revising the Code to provide additional consumer protection in relation to credit management practices. ACIF accepted the recommendation. The revised Code seeks to balance the needs of all Australians to access telecommunications services while being provided with the appropriate level of protection. The following provisions have been added in this revision of the Code:

- a requirement on suppliers to credit assess customers where usage or expenditure limits are not in place;
- a requirement on suppliers to have credit control tools in place and available for use by customers to manage their expenditure;

- a requirement on suppliers so that customers can access current information on the unbilled amounts on their account of which the Supplier is aware;
- a requirement on suppliers to have a financial hardship policy to assist customers experiencing hardship, that is available on request; and
- a requirement that suppliers follow credit management processes before default listing a customer.

### **Current Regulatory Arrangements**

Apart from the Code, there is currently no direct regulatory regime which applies specifically to credit management practices in the telecommunications industry. However, there are certain requirements under Part IIIA of the *Privacy Act 1988* (Cth) and the Credit Reporting Code of Conduct issued under s.18A of that Act, under guidelines, *Debt Collection: Guideline for Collectors, Creditors and Debtors*, issued by the ACCC and ASIC in October 2005 and other legislative provisions that are relevant to the credit management practices of suppliers.

These associated regulatory provisions do not provide a total framework for informing customers of the minimum credit management procedures that they can expect from all telecommunications suppliers.

### **How the Code Builds on and Enhances the Current Regulatory arrangements**

This code provides customer protection by setting minimum industry standards on credit management practices and fostering good industry practice rather than relying on remedial measures enforced through legislation.

Registration of the Code by ACMA under Part 6 of the Act ensures that provisions of this Code can be enforced against all suppliers who fall within those sections of the industry outlined in Clause 1.3.1 of this Code whether or not the suppliers have chosen to comply with the provisions of the Code voluntarily through ACIF processes.

### **What the Code will Accomplish**

This Code deals specifically with credit management processes within the telecommunications industry. It sets out minimum standards of practice that suppliers must adhere to, ensuring industry consistency for both consumers and suppliers.

The Code requires suppliers to credit assess their customers, to have tools in place and available for customers to use to manage customer expenditure, and to have a financial hardship policy to assist customers experiencing financial hardship. The Code also requires that consumers are informed of their supplier's credit assessment and credit management processes, as well as credit management options intended to provide customers with clear options to enable them to make the most appropriate decisions at each stage of the credit management process.

### **How the Objectives will be Achieved**

Compliance with the Code will be achieved through a number of avenues. Code signatories are subject to ACIF's Code Administration and Compliance Scheme, which sets out monitoring, reporting, compliance and review mechanisms and ACIF will monitor suppliers' performance against the Code.

The Telecommunications Industry Ombudsman's (TIO) investigative staff consider whether a code rule has been breached every time they address a complaint, irrespective of whether a supplier is a signatory to the Code. The TIO records all possible and confirmed breaches, which are in turn reported to ACMA. Registration of the Code

by ACMA ensures that the provisions of the Code can be enforced against all telecommunications providers who fall within the sections of the industry outlined in the scope of the Code, whether or not the suppliers have chosen to adopt it voluntarily through the ACIF process.

Although the Code places obligations on a supplier, it is recognised that agents of suppliers carry out many of the activities of suppliers. However, the general law of agency may make suppliers responsible for the activities of dealers and agents.

### **Anticipated Benefits to Consumers**

This Code benefits customers by setting out minimum standards of practice in one document. The standards of practice include:

- a requirement for suppliers to credit assess their customers when appropriate and procedures suppliers must adhere to in assessing the credit of customers;
- a requirement for suppliers to have tools in place and available to customers for the management of customer expenditure;
- procedures suppliers must follow for the restriction, suspension and disconnection of a customer's service; and
- a requirement for suppliers to have a financial hardship policy to assist customers experiencing financial hardship.

The Code also sets out standards of practice suppliers must follow to ensure customers are informed of the implications of each of those steps.

The Code sets out timeframes for suppliers to advise customers in relation to potential credit management activity. It also establishes acceptable methods for communication between a supplier and its customers in relation to credit management issues.

Customers, their authorised representatives and/or advocates may also benefit from using this Code:

- to assist in discussing their circumstances with their supplier when credit management problems arise;
- to check the minimum standards of credit management practice expected from suppliers;
- to ascertain if those standards have been met in the particular circumstances; and
- to assist in raising a complaint where they believe these standards have not been met.

The Code also requires that, in informing customers under various provisions in the Code, suppliers must use simple and straight forward language that is likely to be readily understood.

Because Code provisions can be enforced against all suppliers, suppliers will be following uniform credit management processes, ensuring that the credit management processes by suppliers will be in accordance with accepted industry standards.

### **Anticipated Benefits to Industry**

This Code will benefit industry by giving greater clarity and specificity to the credit assessment and management processes suppliers will be obliged to follow. Because suppliers will be required to credit assess customers where appropriate, and to have tools for the management of customer expenditure, it is anticipated that customer credit risk will be reduced.

Registration of the Code ensures that all sections of the industry will be following uniform credit management processes, since provisions of the Code can be enforced by ACMA under ss 121 and 122 of the *Telecommunications Act 1997*.

### **Anticipated Cost to Industry**

Industry participants incur costs to varying degrees in relation to compliance with this Code, depending on the level and complexity of their respective credit management processes. Industry participants will incur additional costs in relation to the education and training of staff, development or enhancement of policies and procedures, development or modification of internal systems, employment of additional staff, and compliance monitoring programs.

It is recognised that many suppliers already have processes in place or under development for the assessment of customers, the use of tools for the management of customer spend, and the development of policies to assist customers experiencing financial hardship. It is anticipated that their costs in meeting the Code requirements will be significantly less than for suppliers who will need to develop and implement policies and procedures necessary to meet the Code requirements.

### **Code Implementation**

As many of the pre-existing Code rules have been retained, suppliers will be required to continue complying with these once the new version of the Code is registered. However, it is recognised that suppliers may need some additional time to fully implement and train staff on credit assessment procedures and financial hardship policies, and to arrange for information on the credit control tools they provide to be made publicly available. Therefore the Code will be implemented in two stages:

- Immediately upon registration, the Code will become effective, with the exception of clauses 3.1, 4.2.2 and section 6.
- Six months after registration all code rules will become operational and enforceable.

Deirdre O'Connor  
Chair  
**CCRP/WC18 : Credit Management** Working Committee

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# 1 GENERAL

## 1.1 Introduction

- 1.1.1 Section 112 of the Act sets out the intention of the Commonwealth Parliament that bodies and associations in the telecommunications industry develop industry codes relating to the telecommunications activities of those bodies.
- 1.1.2 The development of the Code has been facilitated by the Australian Communication Industry Forum (ACIF) through a Working Committee comprised of representatives from the telecommunications industry, Government regulatory agencies, the Telecommunications Industry Ombudsman and consumer groups.
- 1.1.3 The Code should be read in the context of other relevant ACIF Codes, Guidelines and documents, including:
- (a) ACIF C521:2004 **Customer Information on Prices, Terms and Conditions** Industry Code;
  - (b) ACIF C542:2003 **Billing** Industry Code; and
  - (c) ACIF C620:2005 **Consumer Contracts** Industry Code.
- 1.1.4 The Code should be read in conjunction with related legislation, including:
- (a) the *Act* ;
  - (b) the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth);
  - (c) the *Trade Practices Act 1974* (Cth);
  - (d) the *Privacy Act 1988* (Cth) including particularly Part IIIA (see Appendix B); and
  - (e) State and Territory legislation on Fair Trading.
- 1.1.5 If there is a conflict between the requirements of the Code and any requirements imposed on a Supplier by statute, the Supplier will not be in breach of the Code by complying with the requirements of the statute.
- 1.1.6 Statements in boxed text are a guide to interpretation only and not binding as Code rules.

## 1.2 Registration with Australian Communications and Media Authority (ACMA)

The Code has been registered by ACMA pursuant to section 117 of the Act.

## 1.3 Scope

- 1.3.1 This Code applies to the following sections of the telecommunications industry under Section 110 of the Act:
- (a) carriers; and
  - (b) carriage service providers.

**NOTE:**

*Carriage service providers include internet service providers.*

- 1.3.2 This Code deals with Suppliers' Credit Assessment, credit control tools, Credit Management and management of Financial Hardship in relation to telecommunications activities of carrying on business as a carrier or a carriage service provider, as defined in Section 109 of the Act. This Code does not cover inter-Supplier Credit Management and Credit Assessment processes where the Supplier, the subject of Credit Assessment and/or Credit Management processes, is acquiring a carriage service in its capacity as a carrier or carriage service provider, for the purpose of resale.
- 1.3.3 For ease of reference the Code is divided into the following sections:
- (a) Credit Assessment, which encompasses a process by which a Supplier determines whether a Customer seeking a Service will be granted the Service, the terms under which the Service is granted, and any Restrictions by the Supplier that may be placed on the Service that will be provided;
  - (b) credit control tools, which encompasses tools to be used by the Supplier or provided to the Customer to manage a Customer's expenditure;
  - (c) Credit Management, which encompasses the activity undertaken by a Supplier in seeking payment for Services provided to the Customer, inclusive of Restricting, Suspending or Disconnecting access to their Service, and debt collection activity after their Service has been Disconnected. This segment also deals with processes which may result in disclosures of personal information to, and collection activity being undertaken by, a third party;
  - (d) management of Financial Hardship, which encompasses a Supplier's dealings with Customers who are experiencing Financial Hardship; and
  - (e) miscellaneous credit provisions, which encompasses those areas of the relationship between Customers and Suppliers which are not specific to the sections outlined above.

## 1.4 Objectives

The Code seeks, within the Credit Management processes, to:

- (a) set out minimum standards of practice that all Suppliers must adhere to;
- (b) establish a consistent industry basis on which Customers will be provided with information in the appropriate form to enable them to make decisions concerning their Service arrangements;
- (c) provide Customers with a clear understanding of their options and a guide to minimum standards they can expect;
- (d) provide for the use of tools by Suppliers and Customers to manage Customers' expenditure on Services; and
- (e) have policies in place to assist customers who are experiencing Financial Hardship.

### **1.5 Code review**

Review of the Code will be conducted after eighteen months of the Code being registered by the Australian Communications and Media Authority and every five years subsequently or sooner if there are significant developments that impact on the Code.

## 2 ACRONYMS, DEFINITIONS, AND INTERPRETATIONS

### 2.1 Acronyms

For the purposes of the Code, the following acronyms apply:

<b>ACIF</b>	Australian Communications Industry Forum
<b>ACMA</b>	Australian Communications and Media Authority

### 2.2 Definitions

For the purposes of the Code, the following definitions apply:

#### **Advocate**

means an attendant care worker, family member, friend or other person nominated by a Customer with a disability, non-English speaking background or other special need to assist them. An advocate is not authorised to make changes to the Customer's account or Services unless they are also nominated by the Customer as an Authorised Representative.

#### **Authorised Representative**

means the person or persons who have the authority, verbally or in writing, to deal with a Supplier on behalf of a Customer as their authorised agent or agents.

#### **Balance Triggered Automatic Top Up**

means a feature of an account for a Pre-Paid Service that adds a specified amount to that account when the balance of the account reaches a pre-determined level.

#### **Credit Assessment**

means a process a Supplier undertakes in considering the circumstances of a Customer to assess their level of credit risk.

#### **Credit Management**

means the process by which a Supplier:

- (a) helps Customers to manage their expenditure on Services;
- (b) manages credit risk; and
- (c) collects outstanding debt.

#### **Credit Reporting Agency**

means a corporation that carries on a credit reporting business as defined in section 6 of the *Privacy Act 1988* (Cth).

#### **Credit Reporting Code of Conduct**

means a code of conduct issued by the Privacy Commissioner, under Section 18A of the *Privacy Act 1988* (Cth).

**Customer**

means a person or entity:

- (a) who has a contract with a Supplier for the supply of a Service;
- (b) who has applied for a Service and is eligible under the criteria set by a Supplier to enter into a contract for the supply of a Service; or
- (c) in whose name a Pre-Paid Service has been activated;  
for a residential or small business purpose; and
- (d) is not another Supplier acquiring a carriage service in its capacity as a carriage service provider or carrier for the purpose of resale.

**Days**

means elapsed days excluding gazetted public holidays reckoned from midnight on the day of the action, act or event.

**Disconnection**

means the termination of a contract for a Service. Disconnect and Disconnected have corresponding meaning.

**Emergency Service Number**

means as defined in the Telecommunications Numbering Plan 1997 (s 3.24). The Plan specifies that 000 is the primary Emergency Service Number whilst 106 and 112 are secondary Emergency Service Numbers.

**Financial Hardship**

means a situation where a Customer is unable, reasonably, because of illness, unemployment or other reasonable cause, to discharge their financial obligations under their contract with the Supplier and the Customer reasonably expects to be able to discharge those obligations if payment and/or Service arrangements were changed. Financial hardship can be of limited or long term duration.

**Fraud**

means the use of deceit or misrepresentation to dishonestly use or access or attempt to use or access a Supplier's Services with the intention of deceiving the Supplier and/or of not paying for such Services and/or securing unlawful gain.

**Guarantor**

means an individual who enters into a contract of guarantee in respect of the performance by a Customer of their obligations under a contract with a Supplier for the provision of a Service or Services.

**Hard Cap**

means a ceiling set on a Customer's expenditure for the use of a Service or Services which is not intended to allow the Customer's expenditure to exceed the Limit.

**Inform**

means advise:

- (a) in Writing; or

- (b) verbally and confirm and record by a systems note or such other means as to provide an auditable record.

**Limit**

means the ceiling assigned to a Customer's spend with a Supplier, for the total of Unbilled Amounts, accumulated during the billing cycle.

**Pre-Paid Service**

means a Service that must be paid for by the Customer before it is used.

**Priority Assistance**

is as defined in ACIF C609: 2003 **Priority Assistance for Life Threatening Medical Conditions** Industry Code.

**Priority Customer**

is as defined in ACIF C609: 2003 **Priority Assistance for Life Threatening Medical Conditions** Industry Code.

**Provisional Priority Customer**

is as defined in ACIF C609: 2003 **Priority Assistance for Life Threatening Medical Conditions** Industry Code.

**Restriction**

means where access to one or more of a Supplier's available Services is limited or access to it is denied. Restrict and Restricted have corresponding meaning.

**Security Bond**

means a payment required by the Supplier to be lodged by the Customer with the Supplier to mitigate an assessed credit risk.

**Service**

means a telecommunications product or service.

**Supplier**

means a carrier or carriage service provider as defined in the Act

**Suspension**

means where access to the Services being provided, except for access to Emergency Service Numbers, is prevented. Suspend and Suspended have corresponding meaning.

**Unbilled Amounts**

means all amounts relating to a Service which have been incurred by a Customer and of which the Supplier is aware, but which the Supplier has not yet billed.

**Writing**

means a document sent by the Supplier by pre-paid mail or other means to the last known address, according to the Supplier's records, of the Customer and/or Guarantor. Methods of document delivery may also include the use of facsimile or email, in the event that the Customer has consented by providing their facsimile/email address for that purpose. Write and Writing have corresponding meaning.

## **2.3 Interpretation**

In the Code, unless the contrary appears:

- (a) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) words in the singular includes the plural and vice versa;
- (c) words importing persons include a body whether corporate, politic or otherwise; and
- (d) a reference to a person includes a reference to the person's executors, administrators, successors, officers, employees, volunteers, agents and/or subcontractors (including but not limited to, persons taking by novation) and assigns.

### 3 CREDIT ASSESSMENT

#### 3.1 Credit Assessment Rule

If a Customer applies to a Supplier for the supply of a Service, the Supplier must either:

- (a) undertake an appropriate Credit Assessment in order to determine whether to supply a Service to that Customer; or
- (b) supply a Service which limits the Customer's expenditure or usage via:
  - (i) a Hard Cap;
  - (ii) a Pre-Paid Service;
  - (iii) the barring of international and premium services calls;
  - (iv) in the case of Internet broadband access, the reduction of the download speed on reaching a limit; or
  - (v) any other equivalent measure that effectively limits a Customer's expenditure.

**NOTE:**

*The availability of credit control tools does not remove the obligation on the Supplier to conduct a Credit Assessment, as defined, when required. Credit control tools that enable the Customer and/or Supplier to monitor usage on an ongoing basis may be a factor that the Supplier considers in determining how extensive the Credit Assessment needs to be.*

#### 3.2 Credit Assessment Process

3.2.1 Where a Supplier undertakes Credit Assessment of a Customer, the Supplier must inform the Customer at the time of the Assessment as to the general nature and effect of the Credit Assessment.

**NOTE:**

*When undertaking a Credit Assessment, the Supplier may consider:*

- *the Customer's history and experience with the Service if the situation involves the transfer to another Service with the same Supplier;*
- *a Customer's payment history with that Supplier;*
- *a Customer's employment history;*
- *a Customer's income;*
- *a Customer's residential history;*
- *a credit check with a Credit Reporting Agency; or*
- *an appropriate check with another third party.*

**NOTE:**

*When undertaking a credit check with a Credit Reporting Agency, a Supplier should advise the Customer that the inquiry may be recorded on their credit information file maintained by the Credit Reporting Agency.*

- 3.2.2 If access to Services is Restricted by the Supplier as a consequence of a Supplier's Credit Assessment, unless the Restricted Services have been previously supplied to the Customer, the Supplier must Inform the Customer at the time they are imposed:
- (a) of any Restrictions or conditions to be imposed upon access to the Service;
  - (b) of the general nature of the reasons for these Restrictions; and
  - (c) if applicable, how the Customer may access Services which have been Restricted.

**EXAMPLES:**

*Examples of ways a Customer may gain access to Services that have been Restricted as a result of a Credit Assessment include pre-payment methods, requirements for the establishment of an acceptable credit history with the Supplier and the timing of this process, alternate Supplier choice, Pre-Paid calling card, Security Bond.*

- 3.2.3 If a Supplier requires a Customer to provide a Security Bond, the Supplier must:
- (a) base the requirement on its Credit Assessment of the Customer;
  - (b) Inform the Customer in Writing, prior to the collection of the Security Bond, that the Supplier may use the Security Bond to offset any undisputed amount that is owed by the Customer;
  - (c) advise the Customer in Writing within 14 days of receiving the Security Bond of repayment and interest arrangements and the account to which the Security Bond will be applied; and
  - (d) repay to the Customer the amount of the Security Bond together with interest accrued, within 10 business Days of the Customer
    - (i) satisfactorily completing the terms of the Security Bond arrangements; or
    - (ii) ceasing Services with that Supplier.

**NOTE:**

*Where a Customer has their Services Suspended or Disconnected, a Supplier may use the Security Bond to offset any undisputed amount that is owed by the Customer.*

- 3.2.4 If a Supplier requires a formal guarantee as a security for any Service, the Supplier must advise the Guarantor in Writing of the nature and effect of the guarantee before the Service is provided.

**NOTE:**

*The advice must include the amount, period and extent where applicable and known, and that a Guarantor could be liable for the full amount of the debt owed to the Supplier.*

- 3.2.5 A Supplier must not use the term Guarantor to describe any person who is the Customer.
- 3.2.6 Where it is made known to the Supplier that the Customer is not going to be the principal end user of the Service, the Supplier must Inform the Customer of their potential liability and risk before the Service is provided.

**EXAMPLES:**

- *an adult such as a parent or grandparent advises the Supplier they want to obtain a mobile service on behalf of an underage user; or*
- *a Customer advises a Supplier that they are arranging a mobile service as a gift for another person.*

- 3.2.7 If a Supplier refuses to supply a Service and this decision is wholly or partly based on information provided by a Credit Reporting Agency, the Supplier must Write to the Customer within seven Days:
- (a) that the application for Service has been refused;
  - (b) that the refusal was based wholly or partly on information relating to the Customer that a Credit Reporting Agency has given to the Supplier;
  - (c) the name and address of the Credit Reporting Agency; and
  - (d) of their right to obtain access to their credit information file maintained by the Credit Reporting Agency.
- 3.2.8 If a Supplier refuses supply of a Service for reasons other than those outlined in Clause 3.2.7, the Supplier must Inform the Customer of the nature of the reasons for this refusal.

**NOTE:**

*Refer to Appendix B for a listing of associated privacy issues.*

## 4 CREDIT CONTROL TOOLS

### 4.1 Security Tools

- 4.1.1 A Supplier must notify Customers about the availability of security tools to prevent unauthorised access to and unauthorised use of Services and how to obtain assistance regarding their use. Where security tools are offered directly by a Supplier, the Supplier must advise Customers of the costs of those tools.

**EXAMPLES:**

*Appropriate security tools will depend on the nature of the Service but may include:*

- *mobile phone blocking using a phone's International Mobile phone Equipment Identifier (IMEI);*
- *blocking access to Services when the Supplier is notified of a problem such as loss or theft of a phone;*
- *the use of a PIN and/or password to access a Service; and*
- *firewalls and virus protection for internet services.*

- 4.1.2 Where a Customer requests a Supplier to Suspend a Service under a contract for the supply of a Service, the Supplier must, prior to the Suspension of the Service, Inform the Customer of any fees or charges that they are required to pay while the Service is suspended.

**NOTE:**

*This clause includes when a handset is lost or stolen.*

### 4.2 Information on Unbilled Amounts and Credit Control Tools

- 4.2.1 A Supplier must provide a Customer with access to current information on Unbilled Amounts on their account.

**NOTE:**

*The information will be considered current if it is the most recent information available to the Supplier, recognising that Suppliers experience delays in receiving information, e.g., international roaming services, reseller services and 190 services.*

**EXAMPLES:**

*Customers may be given access to this information on-line, via a call centre, at the Supplier's retail premises or through meters designed to record Service usage.*

- 4.2.2 Suppliers must make publicly available a list of the credit control tools they offer. This list must be updated when tools are added, removed or altered.

**NOTE:**

*This information should be made available on the Supplier's website and from the Supplier on request. ACIF should be provided with an appropriate link or details on how Customers can access this information.*

### **4.3 Credit Control Tools Introduced by Suppliers**

- 4.3.1 A Supplier must have credit control tools in place which are applied for the purpose of managing a Customer's expenditure, where appropriate.

**EXAMPLES:**

*Appropriate credit control tools include:*

- *call barring or Restrictions on certain Services (for example to more expensive Services);*
- *providing call charge advice during the course of a premium services call;*
- *Pre-Paid Services except those with a Balanced Triggered Automatic Top-Up;*
- *Hard Caps;*
- *reducing broadband Internet download speed when a usage limit is reached; or*
- *notifying a Customer when a particular spend or usage level has been reached independently of enquiry or request by the Customer.*

**NOTE:**

*A Supplier should consider which credit control tools may be appropriate following a Customer's initial application for supply, following Credit Assessment or at any time during the provision of Services to the Customer. Whether a credit control tool is appropriate should be assessed by reference to the Objectives listed at Clause 1.4.*

- 4.3.2 Suppliers must not charge a fee for credit control tools that are imposed on the Customer by the Supplier.

### **4.4 Credit Control Tools available to Customers**

A Supplier must make available to Customers credit control tools that they can select to assist them to manage their expenditure.

**EXAMPLES:**

*Credit control tools may include:*

- *optional call barring or Restrictions on access to certain Services*
- *optional Hard Cap;*
- *Pre-Paid Services;*
- *providing call charge advice during the course of a premium services call;*

- *optional reduction of broadband Internet download speed when a usage limit is reached;*
- *opt-in Services in which a Customer may request which elements of a Service they wish to receive;*
- *access to current information on the Customer's Unbilled Amounts; or*
- *notifying Customers of their current Unbilled Amounts on request.*

## **4.5 Customer Options To Restrict Access**

- 4.5.1 A Supplier must Inform the Customer at the appropriate time
- (a) of the Supplier's Services to which they have access;
  - (b) if there are options in relation to Restricting access to the Services; and
  - (c) any charges the Customer will incur for these options.

**NOTE:**

*An appropriate time to Inform the Customer may be when the Customer applies for the Services or when the Customer's circumstances suggest that such information is appropriate.*

*See ACIF C521:2004 Customer Information on Prices, Terms and Conditions Industry Code regarding informing Customers.*

**EXAMPLE:**

*Where access restrictions can be applied on their Service for specified service types, PIN control features or on an opt in/opt out basis and exchange barring.*

- 4.5.2 Where a Customer has elected to Restrict access to a Supplier's Service, the Supplier must inform the Customer of:
- (a) any of the Supplier's Services to which the Restriction does not apply;

**EXAMPLE:**

*If a Customer requests local call access only, the Supplier should inform the Customer that access to operator calls (e.g. reverse charge calls) is still available.*

- (b) any other circumstances of which the Supplier is aware where the Restriction does not apply; and

**EXAMPLE:**

*The Customer may still be able to make calls through other Suppliers.*

- (c) If the Restriction can be removed by anyone other than the Customer.

- 4.5.3 Where a Supplier promotes that it can monitor a Customer's Unbilled Amounts, via the use of a Limit, and if the Customer elects this option, the Supplier must inform the Customer of:
- (a) the value of the Limit and whether and how the Limit might change from time to time;
  - (b) whether the Limit is a guideline for Credit Management action or a Hard Cap and any implications and exceptions to that Limit; and
  - (c) the action that will be taken once the Limit has been reached.

## 5 CREDIT MANAGEMENT

### 5.1 Payment Difficulties

A Supplier must have in place processes to assist Customers who are experiencing difficulties in paying their accounts. A Supplier must inform Customers of these processes.

**NOTE:**

*In addition to Financial Hardship problems (see Section 6), payment difficulties may arise from a variety of causes including where a customer receives a bill that is significantly larger than the customer anticipated.*

**EXAMPLES:**

*Examples of the processes include extension of time to pay upon Customer request and payment plan options.*

### 5.2 Obligation To Advise

5.2.1 A Supplier must advise Customers prior to taking Credit Management action or at the appropriate time of the general nature and effect of:

- (a) the amount of time they have to pay for Services provided to them by the Supplier and their obligation to pay by the due date;
- (b) any processes the Supplier may have in place for interim billing or changes in the billing cycle for Credit Management purposes;
- (c) any processes the Supplier may have in place for the follow up of accounts which are overdue for payment;
- (d) any processes the Supplier has in place to assist Customers who are experiencing difficulties in paying their accounts including the Supplier's Financial Hardship policy;
- (e) part payment of a bill in circumstances where a number of Services are combined on one bill, and the method (if any) by which amounts received are allocated;
- (f) the general nature of the reasons for the Supplier's actions.

**NOTE:**

*Suppliers should advise Customers using the same medium in which their transactions are normally provided by the Supplier.*

5.2.2 When Informing a Customer about a Supplier's Restriction, Suspension or Disconnection of the Customer's Service, a Supplier must:

- (a) in the case of verbal advice, make reasonable attempts to ascertain whether the Customer has understood such advice;

**EXAMPLE:**

*Measures may include: for verbal: Do you understand that your telephone service will be Suspended/Restricted/Disconnected as from DD/MM/YY.*

- (b) ensure that the attempts to Inform are directed to the Customer for that Service; and
- (c) ensure that the primary method used by the Supplier to Inform the Customer is in a format reasonably acceptable to the Customer based on their usage history.

**EXAMPLES:**

- *For Customers using paper bills, a Supplier might send a letter;*
- *for Customers who use mobile services, a Supplier should send SMS only where there is an established history of SMS usage; or*
- *for Customers with Internet/online billing, a Supplier might send an email message.*

5.2.3 Prior to a Supplier either Suspending or Disconnecting a Service, a Supplier must make reasonable attempts to advise the Customer of:

- (a) the general nature of the role of community financial counsellors and consumer advocates in dealing with financial matters;

**EXAMPLE:**

*"A community financial counsellor or consumer advocate may be able to help you with your financial situation. Contact your local community services department or financial counsellor or consumer advocate." (listed in Appendix A)*

- (b) options Customers have in respect to repayment processes; and
- (c) the effect non payment of an account may have on other Services the Customer has with that Supplier.

**EXAMPLE:**

*"Failure to pay a mobile account may result in Credit Management action in relation to a landline service with that Supplier".*

## **5.3 Restriction of Services**

5.3.1 Subject to Clause 5.5, a Supplier must take reasonable steps to Inform the Customer of the Supplier's intention to Restrict a Service prior to Restricting that Service.

**EXAMPLE:**

*A reasonable attempt may include advice in writing or two or more phone calls.*

- 5.3.2 If a Supplier is to Restrict a Customer's access to Services as a consequence of a Supplier's Credit Management processes, except in relation to those Restrictions which have been imposed at the time of Credit Assessment with the initial granting of a Service, the Supplier must Inform the Customer:
- (a) of any Restrictions or conditions to be imposed upon access to the Service; and
  - (b) how they might restore access to Services which have been Restricted, if applicable.
- 5.3.3 A Supplier must ensure that Emergency Service Numbers can be accessed from a Restricted Service.

## 5.4 Suspension of Services

- 5.4.1 A Supplier must:
- (a) subject to Clause 5.5, make reasonable attempts to Inform the Customer of the Supplier's impending Suspension of the Customer's Service(s) a minimum of 7 Days prior to Suspension taking place;

*EXAMPLE:*

*Reasonable attempts may include two or more attempts to contact via letter, phone or otherwise.*

- (b) when Informing the Customer of that impending Suspension, indicate the earliest date on which the Suspension could occur;
- (c) where a reasonable attempt to Inform the Customer is in Writing, include the date of issue on the correspondence; and
- (d) review its decision to Suspend within a reasonable time following contact from the Customer requesting it to do so, and Inform the Customer of the outcome of the review promptly.

*NOTE:*

*Informing the Customer includes providing the Customer with information on the likely time within which the review will be completed. This would normally be within two business Days.*

- 5.4.2 Prior to a Supplier Suspending a Customer's Service a Supplier must make reasonable attempts to Inform the Customer:
- (a) of the consequences for the Customer of non-payment;

*EXAMPLE:*

*"You will not be able to make phone calls (in the case of a land line) until your payment is received."*

- (b) of any ongoing charges that will still apply; and

- (c) that the Supplier has a Financial Hardship policy that may enable certain Customers to enter a financial arrangement to avoid further credit management action and that a summary of the policy is available on request.

5.4.3 A Supplier must ensure that Emergency Service Numbers can be accessed from a Suspended Service, where relevant.

## 5.5 Suspension or Restriction of Services Without Notice

A Supplier:

- (a) may be entitled to Suspend or Restrict a Service at any time without Informing the Customer in the following circumstances:
  - (i) if the Supplier assesses that the Customer or the account status present an unacceptably high credit risk to the Supplier; or
  - (ii) if the Supplier reasonably suspects Fraud or attempted Fraud.
- (b) must, at the Customer's request, promptly review its decision to Suspend or Restrict a Service;

*NOTE:*

*This would normally be within two business Days.*

- (c) must not impose a reconnection fee or charge, following action under this Clause, if the action resulted from a mistake by the Supplier.

## 5.6 Disconnection of Services

5.6.1 A Supplier must:

- (a) make reasonable attempts to Inform a Customer of its decision to Disconnect the Customer's Service a minimum of 7 Days prior to Disconnection taking place; and

*EXAMPLE:*

*A reasonable attempt may include advice in writing or two or more phone calls.*

- (b) at the Customer's request, promptly review its decision to Disconnect;
- (c) when Informing the Customer of an impending Disconnection, indicate the earliest date on which the Disconnection could occur; and
- (d) where a reasonable attempt to Inform the Customer is in Writing, include the date of issue on the correspondence.

5.6.2 A Supplier must send a separate Disconnection notice in Writing to the Customer prior to Disconnecting the Service, unless previously advised in Writing under Clauses 5.4.1, 5.4.2 or 5.6.1 (a). A Supplier must not use a bill as a Disconnection notice.

5.6.3 Prior to a Service being Disconnected a Supplier must make reasonable attempts to Inform the Customer and any Guarantor of:

- (a) the consequences for the Customer and Guarantor of non-payment;

**EXAMPLES:**

*"You will not be able to make or receive any calls, including to Emergency Service Numbers."*

*"You will lose your phone number."*

*"You will lose access to your email address."*

(b) the consequences for other Services the Customer has with the Supplier;

(c) that default information may be used for internal purposes or disclosed to a Credit Reporting Agency; and

**NOTE:**

*See Appendix B, Notes 5 and 6 for related privacy issues.*

(d) any process that enables Customers, following their Disconnection, to arrange a repayment plan prior to commencing external recovery or legal action in respect to the outstanding amounts.

5.6.4 Prior to a Service being Disconnected a Supplier must make reasonable attempts to advise in Writing the Customer and the Guarantor that:

(a) the debt may be referred to an external collection agent for collection;

(b) legal action may be taken to recover the unpaid debt;

(c) default information may be disclosed to external parties or a Credit Reporting Agency; and

**NOTE:**

*See Appendix B, Notes 5 and 6 for related privacy issues.*

(d) their phone number(s) may be lost after Disconnection.

**NOTE:**

*Priority Assistance must cease at the time of Disconnection unless it is a relocation where the Provisional Priority Customer or Priority Customer remains with the same Supplier,*

## **5.7 Credit Management Action in Respect to Disputed Amounts**

5.7.1 A Supplier must not take Credit Management action in relation to genuinely disputed amounts whilst the disputed amount is being investigated and remains unresolved by the Supplier, the Telecommunications Industry Ombudsman or a relevant recognised agency.

5.7.2 The Supplier must advise the Customer when it will commence Credit Management action after the dispute has been determined, if applicable.

**NOTE:**

*The Supplier is not prevented from taking Credit Management action in relation to the undisputed amounts owing.*

*See Appendix B, Note 7 for related privacy issues.*

## **5.8 Fees and Charges**

- 5.8.1 Prior to imposing a Credit Management fee or charge, the Supplier must advise the Customer in Writing of the amount and/or the method of calculation of the fee or charge including where the fee or charge incorporates overdue amounts or interest. Such fees or charges must be provided for in the contract for the supply of the Service, and only relate to the Supplier's reasonable costs.
- 5.8.2 Where a Customer requests early termination of a contract for the supply of a Service, the Supplier must Inform the Customer of any fees and charges provided for in the contract that are required to be paid to terminate the contract early.
- 5.8.3 Where a Supplier invokes the early termination of a contract for the supply of a Service, the Supplier must Inform the Customer that fees and charges apply in accordance with the contract.

## **5.9 Collection Agents**

- 5.9.1 A Supplier must ensure that Credit Management processes under this Code are followed, irrespective of outsourcing, and prior to referring the Customer debt to a mercantile agent (debt collection agent).

**NOTE:**

*Debt collection agents can be internal to the Supplier or externally contracted by the Supplier.*

- 5.9.2 A Supplier must ensure that compliance arrangements with mercantile agencies require that the collection methods employed by such agents are not:
  - (a) harsh and unconscionable at law, or constitute undue harassment or are otherwise unlawful;
  - (b) disreputable or offensive; or
  - (c) inconsistent with the standards approved by any relevant industry body.
- 5.9.3 A Supplier must ensure that their mercantile agents comply with accepted professional and ethical standards for the collection of debts and have in place compliance systems that are in accord with the principles of the Australian Standard on Compliance Program (AS3806 – 2005) and a complaints handling process generally in accord with the Australian Standard on Complaints Handling.

**EXAMPLES OF ACTIONS WHICH SHOULD NOT BE TAKEN**

- *Forms of notification used by collection agents of Suppliers which are misleading (eg in appearance in that they make themselves out to be Court documents when in fact they are not) as to content or to actual amounts due (eg lead to the belief that costs are due when in fact they are not).*
- *Continuance of collection activities for debts incurred prior to bankruptcy where a Customer is known to be a bankrupt.*
- *Demanding payment of debts from third parties or contacting third parties when there is no entitlement to do so.*
- *Collection actions that conflict with-*
  - *the provisions of the Trade Practices Act 1974 (Cth);*
  - *the ACCC-ASIC 'Debt Collection Guideline: for collectors and creditors'.*
- *Failure to have compliance check lists pursuant to the applicable standard.*
- *Breach of guidelines issued pursuant to the relevant Private Agents, Fair Trading or Commercial Agents Acts in each State.*

- 5.9.4 A Supplier must take all reasonable steps to ensure that debts that are sold or assigned to third parties do not include any unresolved service or billing issues involving disputed account balance amounts.

**NOTE:**

*A Supplier must not sell or assign any debt which cannot be collected due to statutory bars. Statutory bars to debt recovery may be under state or territory legislation on Limitation of Actions.*

- 5.9.5 If any unresolved billing or service issues arise regarding an amount that has been sold or assigned to a third party, a Supplier must take all reasonable steps to resolve that issue.

**NOTE:**

*If a Customer's complaint regarding debts that have been sold or assigned cannot be resolved directly with a Supplier, the Telecommunications Industry Ombudsman is able to investigate the matter.*

## **5.10 Default Information**

- 5.10.1 A Supplier must ensure that Credit Management processes under this Code are followed, irrespective of outsourcing, and prior to listing the Customer debt with a Credit Reporting Agency.
- 5.10.2 A Supplier must take all reasonable steps to ensure that debts that are listed with a Credit Reporting Agency do not include any unresolved service or billing issues involving disputed account balance amounts.

- 5.10.3 If any unresolved billing or service issues arise regarding an amount that has been listed with a Credit Reporting Agency, a Supplier must take all reasonable steps to resolve that issue.
- 5.10.4 A Supplier must ensure that it has a process for updating its Customers' credit information with a Credit Reporting Agency as soon as practicable.
- 5.10.5 Where a Supplier becomes aware that a Customer has been credit listed in error, the Supplier must notify the Credit Reporting Agency of that fact within one business Day.

## 5.11 Preventing Customer Disadvantage

Where a Customer can demonstrate that they have taken all reasonable steps to pay a known due debt but the account has not been paid as a result of a fault of a third party, or where the Supplier is at fault, the Supplier must ensure that:

- (a) if the Customer has been default listed for this reason, it notifies the Credit Reporting Agency within one Business Day;
- (b) any additional charges do not arise as a result of the Customer's failure to pay; or

**NOTE:**

*Additional charges can include disconnection fees, reconnection fees, late payment fees, early termination fees and interest charges.*

- (c) any other credit related disadvantage to the Customer does not arise as a result of the Customer's failure to pay.

**NOTE:**

*Any other credit related disadvantage could include additional difficulty for the Customer in obtaining new or altered Services with the Supplier.*

**NOTE:**

*The Supplier would be at fault where:*

- *it had failed to send the bill to the address provided by the Customer; or*
- *it sent an incorrect bill to the Customer.*

*The Customer is taken to have behaved reasonably where the failure to pay the due debt was due to, for example the fault of a third party such as a bank or payment agency.*

## 6 FINANCIAL HARDSHIP

### 6.1 Financial Hardship Policy

- 6.1.1 A Supplier must have a Financial Hardship policy for Customers who are experiencing Financial Hardship.

**NOTE:**

*Suppliers should refer to the ACIF **Guide for a Financial Hardship Policy** for further information.*

- 6.1.2 A Supplier's Financial Hardship policy must:
- (a) include provision for training staff who will be applying the Financial Hardship policy;
  - (b) be sufficiently flexible to accommodate the circumstances of individual Customers;
  - (c) ensure that a Customer is able to contact appropriate employees of the Supplier if they are experiencing Financial Hardship; and
  - (d) include options for managing a Customer's Financial Hardship.

**NOTE:**

*Where possible, Suppliers should consider supplying a direct line for financial counsellors.*

- 6.1.3 A Supplier must give a Customer a summary orally or in writing of how the Supplier's Financial Hardship policy may assist Customers:
- (a) on the Customer's request;
  - (b) when the Customer indicates to the Supplier that they are experiencing Financial Hardship; or
  - (c) if the Supplier considers that the Customer may be eligible for the policy.
- 6.1.4 The summary must include:
- (a) contact details for the Supplier from whom the Customer can obtain more information on the Supplier's Financial Hardship Policy; and
  - (b) options for managing a Customer's Financial Hardship as discussed in Clause 6.3.
- 6.1.5 When sending out a reminder notice in Writing, Suppliers must tell their Customers of the existence of their Financial Hardship policy and how to obtain more details.
- 6.1.6 A Supplier must not impose charges on Customers for the implementation of their Financial Hardship policy.

## 6.2 Financial Hardship Assessment

- 6.2.1 Upon request, the Supplier must assess the Customer's eligibility for assistance under the Supplier's Financial Hardship policy.
- 6.2.2 When assessing a Customer's application for assistance under its Financial Hardship policy, a Supplier must take into account the Customer's individual circumstances.
- 6.2.3 When assessing a Customer's application for assistance under its Financial Hardship policy, a Supplier may request supporting documentation from the Customer. A Supplier would not ordinarily require such supporting documentation from a Customer unless:
  - (a) it appears that the financial arrangement will need to be long term;
  - (b) the amount to be repaid to the Supplier is considered large or significant;
  - (c) the Customer has not been a Customer of the Supplier for very long; or
  - (d) the Supplier reasonably believes that there is a possibility of Fraud.
- 6.2.4 If a Supplier requires supporting documentation from a Customer, the Supplier must advise the Customer to send the documentation to a specific contact point. Contact details at a minimum must include the postal address and a facsimile number and/or email address for the Supplier.

## 6.3 Financial Arrangements

- 6.3.1 A Supplier must ensure that Financial Hardship arrangements as agreed upon with the Customer are sufficiently flexible to take into account the circumstances of the individual Customer.
- 6.3.2 Suppliers must inform the Customer of the terms of the Financial Hardship arrangements, as agreed upon.

**NOTE:**

*The Supplier should, at the request of the Customer, provide in Writing the amount and frequency of payment terms.*

- 6.3.3 Suppliers must ensure that a Customer is aware of their rights and obligations under any Financial Hardship arrangement.
- 6.3.4 At the time a Financial Hardship arrangement is implemented, the Supplier must advise the Customer to contact them if the Customer's circumstances change during the term of the arrangement.
- 6.3.5 The Supplier must be willing and able to review the Financial Hardship arrangement if the Customer advises the Supplier that their circumstances have changed.
- 6.3.6 A Supplier must not undertake Credit Management action including listing of the Customer debt with a Credit Reporting

Agency while a Financial Hardship arrangement is being actively discussed by the Supplier and Customer or during the course of a Financial Hardship arrangement unless:

- (a) the Customer breaches the terms of the Financial Hardship arrangement;
- (b) Credit Management action would be reasonable in the circumstances; or

*EXAMPLE:*

*Credit Management action may be reasonable in the circumstances if it was to prevent the Customer falling further into debt.*

- (c) the Customer, at that time, agrees.

6.3.7 If the Customer breaches the terms of the Financial Hardship arrangement and does not contact the Supplier to discuss a new Financial Hardship arrangement, the Supplier must take reasonable steps to contact the Customer or their Authorised Representative before taking Credit Management action.

## 7 MISCELLANEOUS CREDIT PROVISIONS

### 7.1 Credit Information

Subject to the provisions of the *Privacy Act 1988* (Cth), a Supplier:

- (a) must ensure that a Customer is able to obtain information held by the Supplier, relevant to their credit history or credit standing; and
- (b) in supplying the information referred to in Clause 7.1 (a) to a Customer:
  - (i) must not impose a fee or charge for a Customer making the request for information;
  - (ii) may impose fees or charges for any abnormal costs incurred in supplying such information, but such fees or charges must not be excessive; and

**EXAMPLE:**

*Any fees or charges above the reasonable costs of providing that information would be considered excessive*

- (iii) must inform the Customer at the time of, or prior to, the imposition of the fee or charge of the applicable fees or charges and/or the method of calculation of these amounts.

### 7.2 Advocates

A Supplier must not refuse unreasonably to communicate with a Customer through that Customer's Advocate.

### 7.3 Accessibility of Communications

- 7.3.1 Suppliers must ensure that information provided to Customers uses simple and straight forward language that is likely to be readily understood.
- 7.3.2 In communicating with and providing information to Customers, Suppliers must have regard to the Customer's communication requirements.

**NOTE:**

*Refer to ACIF G586: 2001 **Access to Telecommunications for People with Disabilities** Industry Guideline.*

## **8 CODE ADMINISTRATION AND COMPLIANCE**

### **8.1 Code Compliance**

Under ACIF' s Code Signatory arrangements, signatories to this Code are subject to ACIF' s Code Administration and Compliance Scheme (ACIF G514: 2003 Code Administration and Compliance Scheme) (the Scheme). Accordingly all signatories who are bound by this Code are also bound by the Scheme.

### **8.2 Powers of the Telecommunications Industry Ombudsman to handle complaints under this Code**

Under section 114 of the *Telecommunications Act 1997* (Cth) and, subject to consent by the Telecommunications Industry Ombudsman, this Code confers on the Telecommunications Industry Ombudsman the functions and powers of:

- (a) receiving;
- (b) investigating;
- (c) facilitating the resolution of;
- (d) making determinations in relation to;
- (e) giving directions in relation to; and
- (f) reporting on

complaints made by the end users of carriage services about matters arising under or in relation to this Code, including compliance with the Code by those industry participants to whom this Code applies.

### **8.3 Power to handle industry complaints under this Code**

8.3.1 Complaints may be made under this Code to ACIF about a contravention of this Code by a Signatory to this Code:

- (a) by a member of the industry (or coalition of consumer representatives) (an "Industry Complaint"); or
- (b) by referral from the ACMA of an Industry Complaint under the power granted to the ACMA in section 514 of the Act, subject to ACIF's agreement to accept the referral. Without limiting the grounds on which ACIF may withhold its agreement to accept a referral, ACIF may withhold its agreement where it considers that the complaint can be more conveniently dealt with in another forum or that handling the complaint may impose an unreasonable cost burden on ACIF.

8.3.2 ACIF must handle complaints under (a) or (b) in accordance with the provisions of the ACIF G514:2003 Code Administration and Compliance Scheme.

## **8.4 Code Implementation**

- 8.4.1 Provisions of this Code will take effect immediately upon registration of this Code by ACMA, except for Clauses 3.1, 4.2.2 and all Clauses in Section 6.
- 8.4.2 Clauses 3.1, 4.2.2 and all Clauses in Section 6 will take effect six months from the date of registration of this Code by ACMA.

## 9 REFERENCES

<b>Publication</b>	<b>Title</b>
<b>Industry Codes</b>	
ACIF C542:2003	Billing
ACIF C620:2005	Consumer Contracts
ACIF C521:2004	Customer Information on Prices, Terms and Conditions
<b>Industry Documents and Determinations</b>	
<i>ACMA - Telecommunications Service Provider (Premium Services) Determination 2004 (No. 1)</i>	
<i>ACMA - Telecommunications Service Provider (Premium Services) Determination 2004 (No. 2)</i>	
ACA Discussion Paper – Preventing Unexpected High Bills: Credit Management in the Telecommunications Industry	
<i>Credit Reporting Code of Conduct</i> issued under s.18A of the Privacy Act 1988 (Cth)	
<i>Debt Collection Guideline: for Collectors, Creditors and Debtors</i> , issued by the ACCC and ASIC in October 2005	
<b>Industry Guidelines</b>	
ACIF	Guidelines for a Financial Hardship Policy
ACIF G514:2003	Code Administration and Compliance Scheme
ACIF G586: 2001	Access to Telecommunications for People with Disabilities
<b>Legislation</b>	
<i>Privacy Act 1998 (Cth)</i>	
<i>Telecommunications Act 1997 (Cth)</i>	
<i>Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth)</i>	
<i>Trade Practices Act 1974 (Cth)</i>	

## **APPENDIX A**

### **Community Financial Counsellors and Consumer Advocates**

Financial Counsellors are trained and accredited to work in the local community to provide remedial, preventative and advocacy services for people in financial distress (or who are in danger of entering financial distress) with a focus on people of low income. They are generally funded by State and Federal Governments and services are provided free of charge.

A Financial Counsellor works with a Customer to clarify and analyse their financial situation, explain financial and legal documents and processes, and identify and discuss options for resolving financial problems.

While a Financial Counsellor may assist the Customer in negotiating with creditors, the Customer is always in control over what course of action will be taken.

In some States, Consumer Advocates offer advice about consumer rights to Customers.

### **Contacting your local Financial Counsellor or Consumer Advocate**

For your local service contact your local social services, or the following:

QLD	Financial Counselling Services of Queensland (07) 3257 1957
NSW	Credit and Debt Helpline 1800 808 488
ACT	Care Financial Counselling (02) 6257 1788
VIC	Consumer Credit Legal Service (03) 9602 3800
TAS	Anglicare Financial Counselling 1800 243 232
SA	UnitingCare Wesley Adelaide (08) 8202 5180
WA	Financial Counsellors Resource Project (08) 9221 9411
NT	Anglicare Financial Counselling 1800 898 500

## APPENDIX B

### **Privacy Act 1988 (Cth) and Privacy Issues relevant to this Code**

*Determination 2003 No. 1 Privacy Act 1988, s. 11B(1)(b)(v)(B) – concerning classes of credit providers, dated 14 February 2003, has the effect of bringing suppliers under Part IIIA of the Privacy Act 1988 (Cth) to the extent that they allow payment for goods/services after 7 days.*

#### **IN PARTICULAR:**

1. A Supplier must ensure that the relevant provisions of Part IIIA of the *Privacy Act 1988* (Cth) and the Credit Reporting Code of Conduct, are observed in seeking a credit report or a commercial credit enquiry from external sources, and that all advice to the Customer and consents required from the Customer in relation to this information are in place. Examples of what this may require are set out below.
2. Section 18E(8)(c) of the *Privacy Act 1988* (Cth) provides that a credit provider must not give to a credit reporting agency personal information relating to an individual if the credit provider did not, at the time of, or before, acquiring the information, inform the individual that the information might be disclosed to a credit reporting agency.

<p><i>Suppliers must not keep full copies of proof of identity documents where they are no longer required.</i></p>
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3. Where a Supplier undertakes Credit Assessment of a Customer and intends to use external information sources, the Supplier must ensure that the Customer is informed that personal identity information, and the fact of their application for credit, may be disclosed to external sources, as part of the Credit Assessment process, and the nature of those sources in each specific circumstance. If a Supplier is a credit provider for the purposes of the *Privacy Act 1988* (Cth), any disclosures to external sources must be in accordance with:
  - (a) One of the exceptions in section 18N(1) of the *Privacy Act 1988* (Cth); and
  - (b) Part II of the Credit Reporting Code of Conduct.
4. Suppliers that are credit providers under the *Privacy Act 1988* (Cth) will have compliance obligations under the *Privacy Act 1988* and the Credit Reporting Code of Conduct in relation to the detection and prevention of serious credit infringements.
5. The *Privacy Act 1988* does not contain an exception that would generally allow a Customer's default information to be provided to external data bases. If a Supplier is a credit provider for the purposes of the *Privacy Act 1988* (Cth), any disclosures of a Customer's default information must be in accordance with:
  - (a) Part IIIA of the *Privacy Act 1988* (Cth); and
  - (b) Part II of the Credit Reporting Code of Conduct.
6. The disclosure of a Customer's personal information to a Guarantor must be in accordance with
  - (a) Part IIIA of the *Privacy Act 1988* (Cth); and
  - (a) Part II of the Credit Reporting Code of Conduct.

7. Where the dispute involves a credit report from a Credit Reporting Agency, the Supplier should check:
  - (a) that its records in relation to information contained in the credit report are accurate; and
  - (b) whether it is obliged under the Privacy Act 1988 (Cth) to notify the Credit Reporting Agency of certain information,before it refers information to the Credit Reporting Agency. The Supplier must inform the Customer before it refers information to the Credit Reporting Agency.
8. The Supplier must comply with its obligations under the National Privacy Principles in Schedule 3 of the Privacy Act 1988 (Cth) in relation to the information it collects, uses and discloses about the Customer.

## **PARTICIPANTS**

The Working Committee responsible for the revisions made to this Industry Code consisted of the following organisations and their representatives:

<b>Organisation</b>	<b>Membership</b>	<b>Representative</b>
Australian Communications and Media Authority (ACMA)	Non-voting	Jacqui Thorpe
Australian Financial Counseling and Credit Reform Agency Inc (AFCCRA)	Voting	Anne-Marie Paulsen
Australian Financial Counseling and Credit Reform Agency Inc (AFCCRA)	Non-voting	Lola Mashado
Consumers' Telecommunications Network (CTN)	Voting	Teresa Corbin
Consumers' Telecommunications Network (CTN)	Non-voting	Sarah Wilson
Hutchison/AMTA	Non-voting	Brian Currie
Optus	Voting	Ana Tabacman
Telecommunications Industry Ombudsman (TIO)	Non-voting	Silvia Superina
Telstra	Non-voting	Candice James
Vodafone/ Australian Mobile Telecommunications Association	Voting	Michael Brealey

This Working Committee was chaired by Deirdre O'Connor. Holly Raiche and Margaret Fleming of ACIF provided project management support.

The policy objective of the greatest practicable use of industry self-regulation without imposing undue financial and administrative burdens on industry is central to the regulatory scheme of the *Telecommunications Act 1997*.

ACIF was established to implement the policy of industry self-regulation. It is a company limited by guarantee and is a not-for-profit membership-based organisation. Its membership comprises carriers/carriage service providers, business and residential consumer groups, industry associations and individual companies.

ACIF's mission is to develop collaborative industry outcomes that foster the effective and safe operation of competitive networks, the provision of innovative services and the protection of consumer interests. In the development of Industry Codes and Technical Standards as part of its mission, ACIF's processes are based upon its principles of openness, transparency, consensus, representation and consultation. Procedures have been designed to ensure that all sectors of Australian society are reasonably able to influence the development of Standards and Codes. Representative participation in the work of developing a Code or Standard is encouraged from relevant and interested parties. All draft Codes and Standards are also released for public comment prior to publication to ensure outputs reflect the needs and concerns of all stakeholders.



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Care should be taken to ensure that material used is from the current version of the Standard or Industry Code and that it is updated whenever the Standard or Code is amended or revised. The number and date of the Standard or Code should therefore be clearly identified. If in doubt please contact ACIF.