Migrating to the National Broadband Network—
the consumer experience

Key findings from analysis of industry information

communicating **facilitating** **regulating**

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Introduction

The ACMA is conducting a work program that involves gathering information to help determine the nature, scale and causes of problems experienced by consumers migrating to, and using, the **National Broadband Network** (the network).[1] This work program includes:

> collecting information from industry and, more specifically, 21 companies across the network supply chain

> collecting information by undertaking research into the experience of residential consumers and small businesses before, during and after migrating to the network

> undertaking a review of the network-related information retail service providers (RSPs) make available to consumers on their websites and in their Critical Information Summaries.

This report presents key findings from the analysis of industry information collected.

Industry information collected

The ACMA gave statutory notices to 16 retail service providers (selected RSPs), four wholesale providers and NBN Co (NBN) itself. The 21 companies were selected to ensure that an appropriate mix of location types—urban, rural and remote areas—and technology types—fibre to the premises (FTTP), fibre to the node/building (FTTN/B), hybrid fibre co-axial (HFC), fixed wireless and satellite—was obtained.

The notices sought information for the three-month period 1 April to 30 June 2017 on the following areas:

> customer numbers

> supply chain

> connections

> appointments

> faults

> complaints

> ability to retain landline numbers

> compensation.

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[1] Throughout this report, the ACMA distinguishes between the National Broadband Network—the wholesale broadband network being built across Australia—and NBN Co—the company responsible for its rollout.

Most of the information obtained by the ACMA from the 21 companies is commercially sensitive and considered confidential. The ACMA has used the information received under the notices to assess the need for regulatory or industry interventions and to provide advice to government. However, it is not permissible for the ACMA to disclose such information where it is attributable to individual companies, without the permission of that company. Consequently, in order to protect confidentiality, the information provided by the selected RSPs and wholesale providers has been anonymised, generally by providing aggregate statistics. Information provided by NBN, which cannot be anonymised due to its unique place in the network supply chain, has not been included.

Important notes

1. The findings in this report only represent a 'moment in time'. That is, for the three-month period 1 April to 30 June 2017.
2. The information in this report is based on the responses provided by the 21 companies to whom the ACMA gave statutory notices. In some cases, these companies were unable to provide data in response to all questions.
3. Not all of the selected RSPs deliver services over all technology types.

Key findings

For the period 1 April to 30 June 2017:

> **Customer numbers**—as at 30 June 2017, there were 2.23 million active customers on the network with services provided by the selected RSPs. Accordingly, the ACMA is satisfied that the information collected offers valuable insights into the range of problems generally experienced by active customers on the network.

> **Supply chain**—the supply chain from NBN to the customer involves multiple entities and is non-linear, making it difficult in some circumstances for the selected RSPs to update and provide information to their customers; for example, about appointments.

> **Connections**—the range of average (mean) times taken for the selected RSPs to connect a customer to the network varied significantly across the different technology types. For the HFC technology type, the average time reported by the selected RSPs ranged between 15 and 71 calendar days, with an industry average of 43 calendar days.[2]

> **Appointments**—of the selected RSPs that could provide appointment-keeping data, 0.7 per cent of their appointments were reported as being missed.

> **Faults**—71.2 per cent of all faults reported by customers to the selected RSPs were associated with the FTTN and FTTP technology types. These customers represented 82 per cent of the 2.23 million active customers on the network.

> **Complaints**—the 44,817 customer complaints to the selected RSPs were largely about service quality; that is, faults and speed (55.7 per cent of total complaints) and then about connection issues (44.3 per cent of total complaints).

The range of average (mean) times taken for the selected RSPs to resolve customer complaints varied significantly across the different technology types. For the FTTP technology type, the average time taken for the selected RSPs to resolve customer connection-related complaints ranged between two and 169 calendar days, with an industry average of 28 calendar days.

> **Ability to retain landline numbers**—just over half of the selected RSPs could not provide information about how many of their customers were unable to retain their phone number when migrating to the network.

> **Compensation**—the selected RSPs paid or otherwise made available to their network customers a total of $6.64 million in compensation.
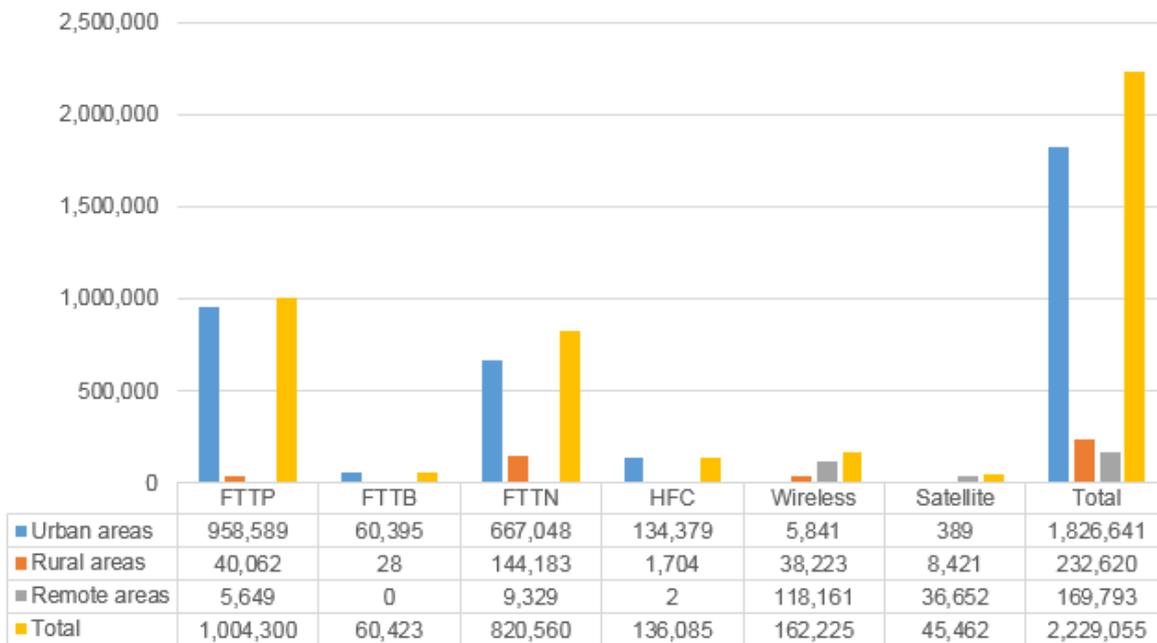
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[2] The 'industry average' represents the weighted average (by selected RSP customer numbers for each technology type) of mean times reported by the selected RSPs.

Detailed findings

Customer numbers

As at 30 June 2017, there were 2.23 million active customers on the network with services provided by the selected RSPs. Of these, 82 per cent (1.83 million) were located in urban areas.

Figure 1:   Number of customers covered by RSP notices, as at 30 June 2017

	FTTP	FTTB	FTTN	HFC	Wireless	Satellite	Total
Urban areas	958,589	60,395	667,048	134,379	5,841	389	1,826,641
Rural areas	40,062	28	144,183	1,704	38,223	8,421	232,620
Remote areas	5,649	0	9,329	2	118,161	36,652	169,793
Total	1,004,300	60,423	820,560	136,085	162,225	45,462	2,229,055

Supply chain

The network supply chain data and information obtained by the ACMA shows it is potentially difficult for customers to manage and monitor their migration experience directly with their RSP:

> The supply chain from NBN to the customer involves multiple entities and is non-linear. Some of the selected RSPs did not have a direct wholesale relationship with NBN, but instead used intermediate wholesale aggregators or resellers.

> This non-linear supply chain arrangement can interrupt the smooth flow of information between supply chain entities.

For example, a significant proportion of the selected RSPs were unable to give the ACMA data about missed appointments. See under Appointments for further information.

As a result of the ACMA's industry information-gathering exercise, several of the selected RSPs indicated they would seek to improve their recording and monitoring of appointments.

Connections

> During the three-month period, 432,923 premises were activated on the network.

> The industry average for time taken for the selected RSPs to connect a customer to the network, across the different technology types, ranged between 22 calendar days (for satellite customers) and 45 calendar days (for FTTN customers).

> The range of average (mean) time taken (calendar days) for the selected RSPs to connect a customer to the network varied significantly depending on the technology type. The longest average time reported by any of the selected RSPs was for connecting HFC customers (71 calendar days), followed closely by FTTP customers (67 calendar days) and FTTN customers (64 calendar days).

Figure 2: Range of mean time taken (calendar days) for a customer to connect to the network, by technology type*

● Minimum across selected RSPs — Weighted average across selected RSPs ● Maximum across selected RSPs
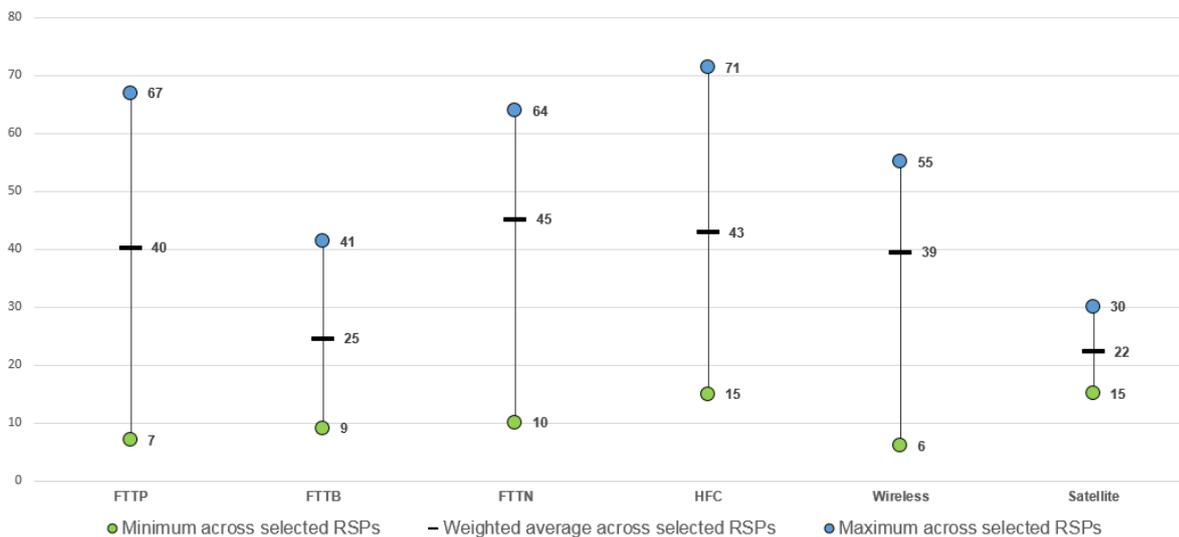
*Due to RSP data issues, information was only included from 13 of the selected RSPs.

Appointments

> Data about missed appointments to connect network services or repair faults was unavailable from seven of the selected RSPs.
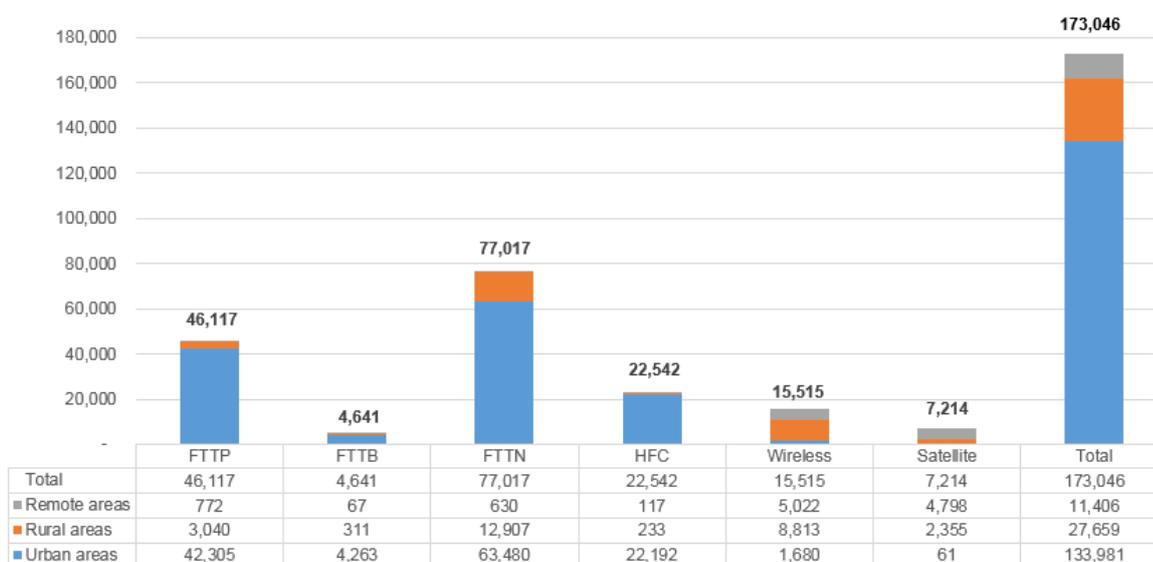
   While some of these RSPs reported having access to limited appointment-keeping data—for example, via a service reporting portal provided by their wholesale provider(s)—it is unclear whether the capability existed for them to have full visibility of all their customers' appointment-keeping experiences during the three-month period and, if so, whether they chose to use that capability.

> Of the selected RSPs that could provide appointment-keeping data, 0.7 per cent of their appointments were reported as being missed.

Faults

> During the three-month period, customers reported over 173,000 faults associated with the services provided over the network to the selected RSPs.[3]

> 71.2 per cent of all such faults reported by the selected RSPs were associated with two fixed-line technology types—FTTN (44.5 per cent) and FTTP (26.7 per cent). Together, these technology types accounted for 82 per cent of active customers on the network and 70 per cent of total customer complaints to the selected RSPs.

Figure 3: Total customer-reported faults to the selected RSPs, by technology type and location*


	FTTP	FTTB	FTTN	HFC	Wireless	Satellite	Total
Total	46,117	4,641	77,017	22,542	15,515	7,214	173,046
Remote areas	772	67	630	117	5,022	4,798	11,406
Rural areas	3,040	311	12,907	233	8,813	2,355	27,659
Urban areas	42,305	4,263	63,480	22,192	1,680	61	133,981

*Due to RSP data issues, information was only included from 14 of the selected RSPs.

> While HFC and satellite customers of the selected RSPs reported the highest number of faults per 10,000 customers, together these technology types accounted for only 8.1 per cent of customers on the network.

   The ACMA notes that a number of industry-led initiatives are currently underway that are intended to improve the customer experience for these technology types.

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[3] 'Fault' means a condition that makes a customer's network service (voice or data) wholly or partly unusable. An initial call to report a fault or service difficulty is not a complaint. However, if a customer advised they wanted this initial call treated as a complaint, it has been counted as a complaint for the purpose of this report.
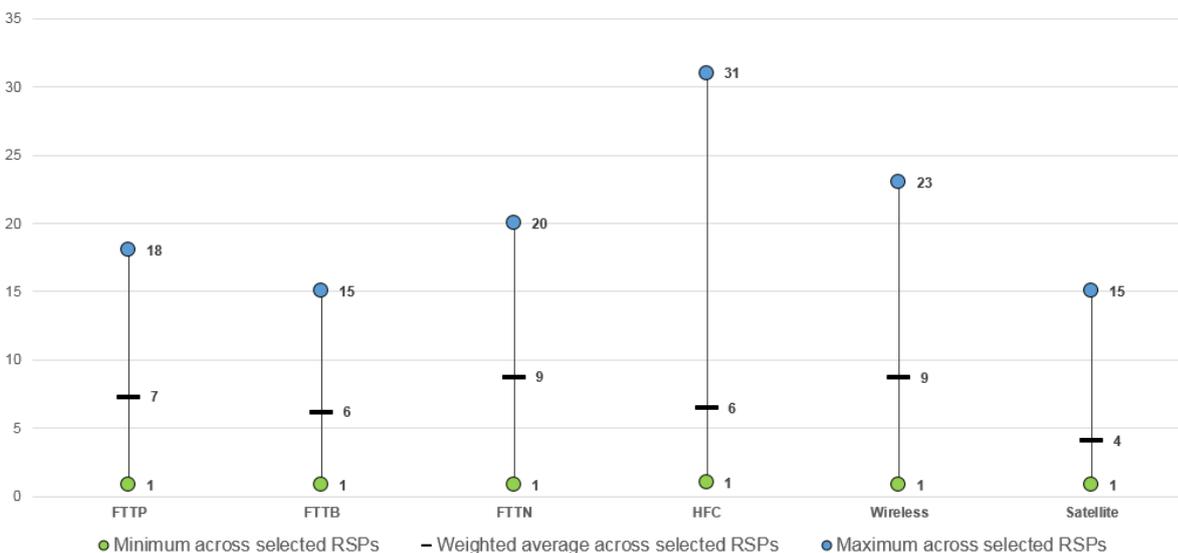

Figure 4:   Total faults reported by customers to the selected RSPs per 10,000 customers, by technology type*
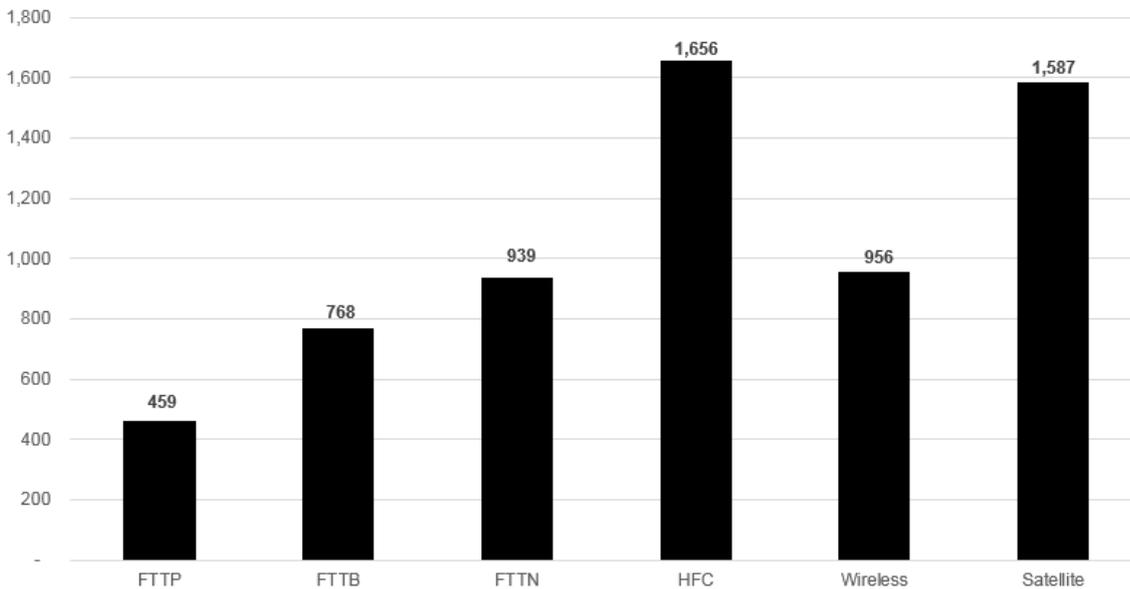
Due to RSP data issues, information was only included from 14 of the selected RSPs.

> Across the different technology types, the industry average for time the selected RSPs took to fix customer-reported faults varied between four calendar days (for satellite customers) and nine calendar days (for FTTN and wireless customers).

> The range of average (mean) time the selected RSPs took (calendar days) to fix customer-reported faults varied depending on the technology type. Faults on the HFC technology type reported by the selected RSPs had the largest range of time, with one provider averaging 31 days to fix faults and another averaging one day.

> FTTB and satellite technology types had the smallest range of average time for faults to be fixed—on average, faults on both technology types were fixed within 15 calendar days or fewer.

Figure 5:   Range of mean time taken (calendar days) for a fault reported by a customer to the selected RSPs to be fixed, by technology type*
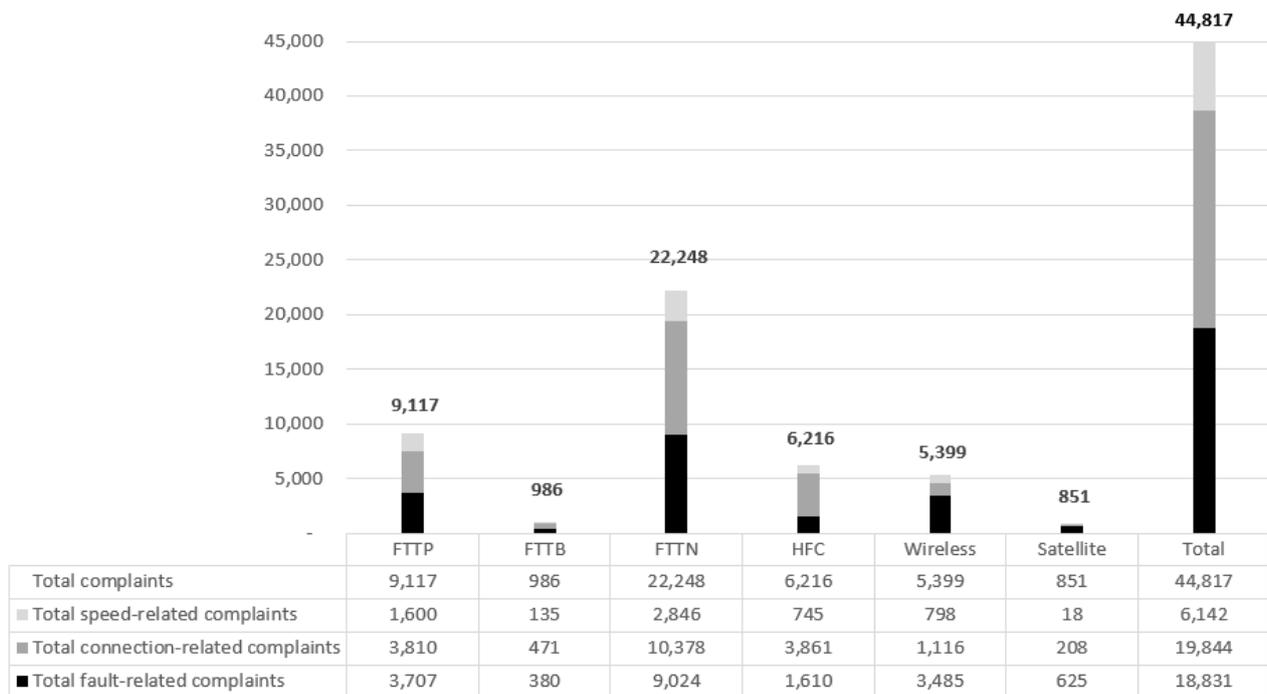

Due to RSP data issues, information was only included from 14 of the selected RSPs.

> The majority of faults (133,981 or 77.4 per cent) reported by the selected RSPs occurred in urban areas where most (1.83 million or 82 per cent) network customers were located.

Complaints

> The 44,817 customer complaints to the selected RSPs were dominated first by concerns about service quality (that is, faults and speed) and second by connection issues.[4] During the three-month period:

> > 24,973 complaints (or 55.7 per cent of total complaints) were made to the selected RSPs about service quality (faults and speed)

> > 19,844 complaints (or 44.3 per cent of total complaints) were made to the selected RSPs about connection issues

> > the majority of complaints to the selected RSPs (31,365 or 70 per cent of total complaints) related to the FTTN and FTTP technology types. Together, these technology types accounted for 82 per cent of customers on the network.

**Figure 6: Total customer complaints reported to the selected RSPs, by complaint type and technology type***

	FTTP	FTTB	FTTN	HFC	Wireless	Satellite	Total
Total complaints	9,117	986	22,248	6,216	5,399	851	44,817
Total speed-related complaints	1,600	135	2,846	745	798	18	6,142
Total connection-related complaints	3,810	471	10,378	3,861	1,116	208	19,844
Total fault-related complaints	3,707	380	9,024	1,610	3,485	625	18,831

Due to RSP data issues, information was only included from 14 of the selected RSPs.

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[4] 'Complaint' means an expression of dissatisfaction made to an RSP about its network-related services or complaints-handling process, where a response or resolution is explicitly or implicitly expected by the RSP's customer. An initial call to an RSP to request a service, information or support is not necessarily a complaint. An initial call to report a fault or service difficulty is not a complaint. However, if a customer advised they wanted this initial call treated as a complaint, it has been counted as a complaint for the purpose of this report.

> While HFC and wireless customers reported the highest number of complaints to the selected RSPs per 10,000 customers, these technology types accounted for only 13.4 per cent of customers on the network.
> The ACMA analysed sample customer complaints provided by the selected RSPs. These indicated that the quality, timing and efficacy of RSP complaints-handling deteriorated when RSPs were required to liaise with a wholesale provider(s) to manage and resolve a customer's complaint.

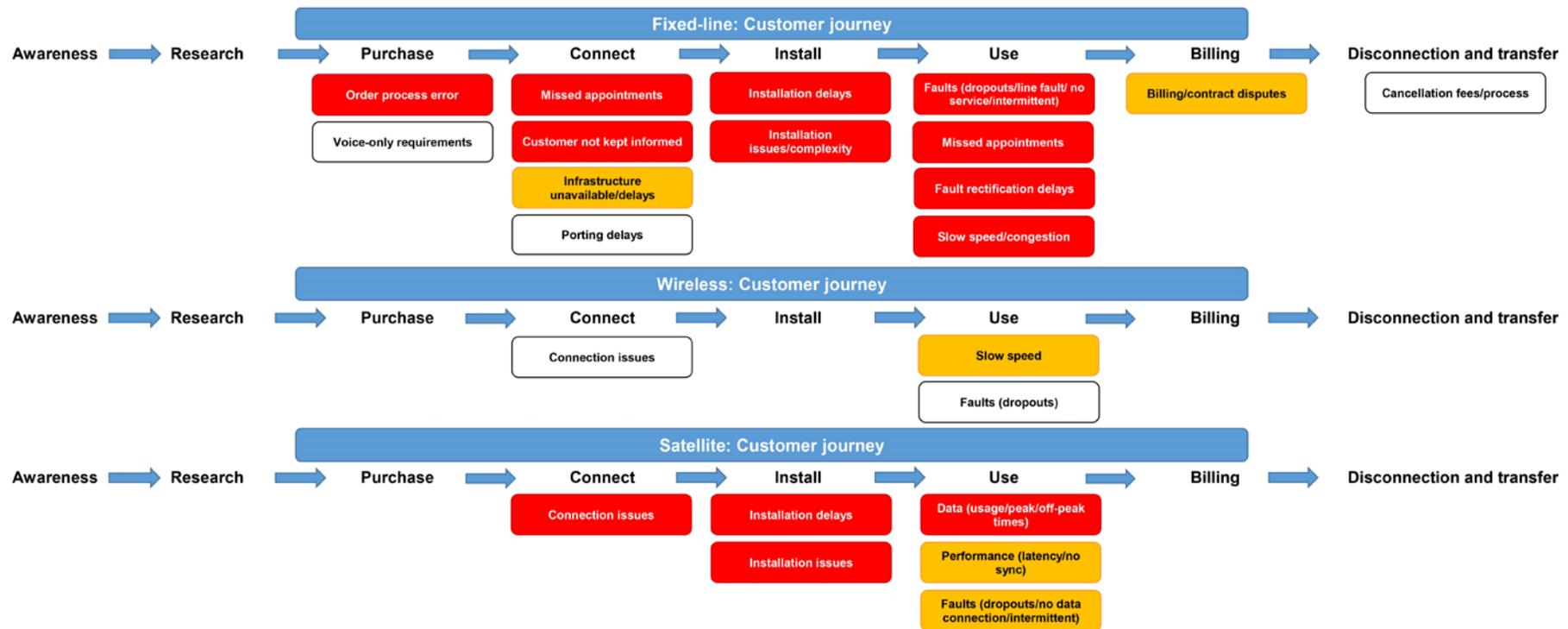**Figure 7: Total customer complaints reported to the selected RSPs per 10,000 customers, by technology type***
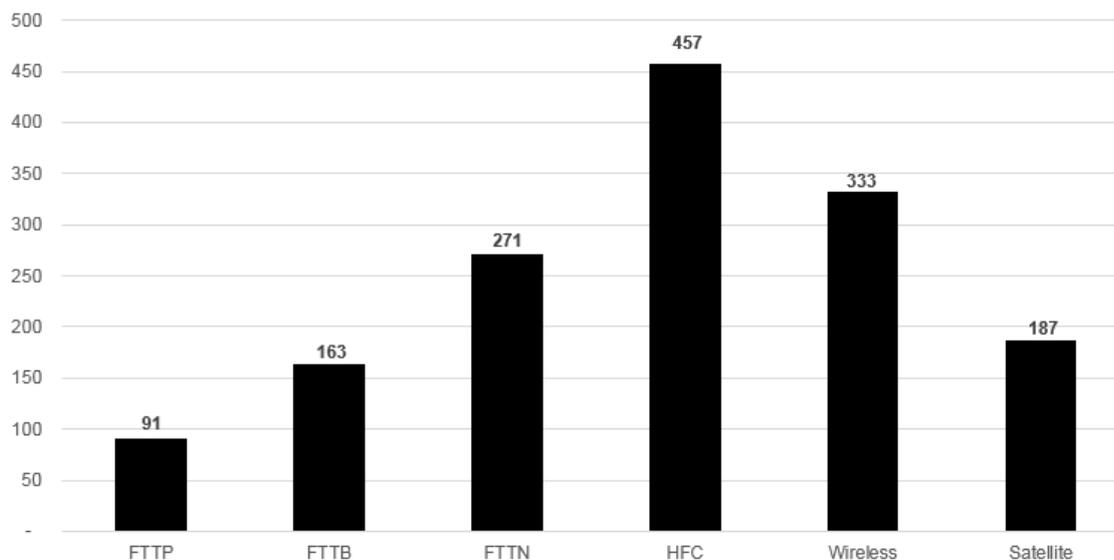
Due to RSP data issues, information was only included from 14 of the selected RSPs.

> Customers reported complaints to the selected RSPs about a range of issues across the different stages of the 'customer journey'—from buying a service, connection, installation and use of their service to billing and transferring their service to another RSP.

The selected RSPs were asked to identify the top five complaint issues raised by their customers. Figure 8 maps the issues identified along the customer journey by fixed-line, wireless and satellite technology types.

Figure 8: Main complaints reported to the selected RSPs along the customer journey

Fixed-line: Customer journey

Awareness → Research → Purchase → Connect → Install → Use → Billing → Disconnection and transfer

Purchase	Connect	Install	Use	Billing	Disconnection and transfer
Order process error	Missed appointments	Installation delays	Faults (dropouts/line fault/ no service/intermittent)	Billing/contract disputes	Cancellation fees/process
Voice-only requirements	Customer not kept informed	Installation issues/complexity	Missed appointments		
	Infrastructure unavailable/delays		Fault rectification delays		
	Porting delays		Slow speed/congestion		

Wireless: Customer journey

Awareness → Research → Purchase → Connect → Install → Use → Billing → Disconnection and transfer

Connect	Use
Connection issues	Slow speed
	Faults (dropouts)

Satellite: Customer journey

Awareness → Research → Purchase → Connect → Install → Use → Billing → Disconnection and transfer

Connect	Install	Use
Connection issues	Installation delays	Data (usage/peak/off-peak times)
	Installation issues	Performance (latency/no sync)
		Faults (dropouts/no data connection/intermittent)

Legend

Brief description of issue = common issue across a number of the selected RSPs or raised by the selected RSP with the largest market share in that technology type

Brief description of issue = issue raised more than once (but not a red classification)

Brief description of issue = issue only raised once

Connection-related complaints

> The industry average for time taken to resolve connection-related complaints raised by customers to the selected RSPs, across the different technology types, ranged between 18 calendar days (for satellite customers) and 28 calendar days (for FTTN and FTTP customers).

> The range of average (mean) times the selected RSPs took to resolve connection-related complaints raised by customers varied significantly across the different technology types. For the FTTP technology type, the range was between two and 169 calendar days, with an industry average of 28 calendar days.

Figure 9: Range of mean time taken (calendar days) by the selected RSPs to resolve a connection-related complaint, by technology type*
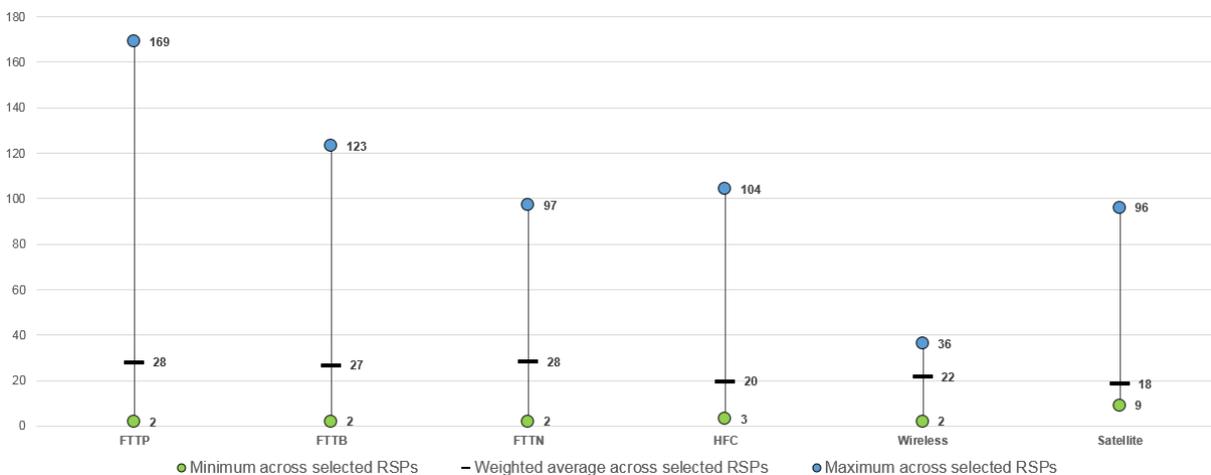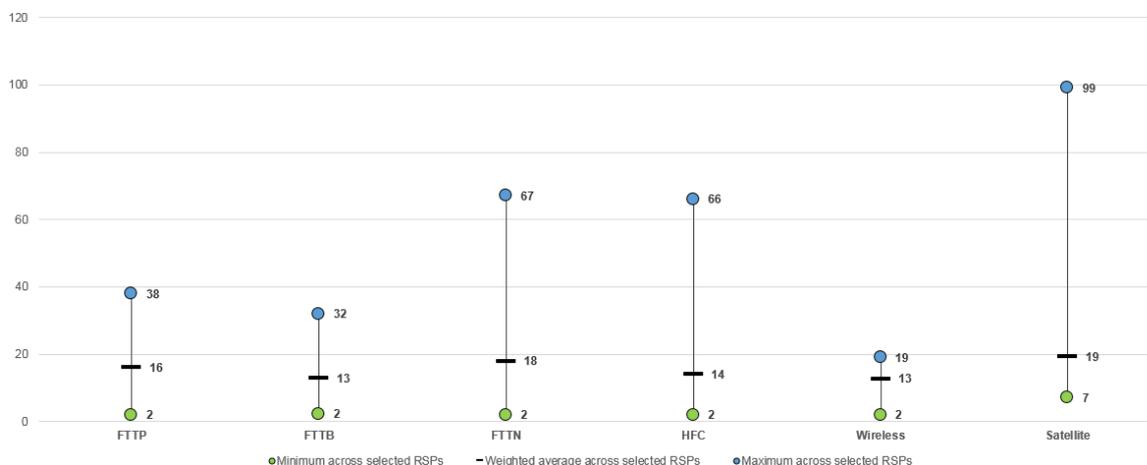

Due to RSP data issues, information was only included from 13 of the selected RSPs.

Fault-related complaints

> The industry average for time taken by the selected RSPs to resolve fault-related complaints, across the different technology types, ranged between 13 calendar days (for FTTB and wireless customers) and 19 calendar days (for satellite customers).

> The range of average (mean) times the selected RSPs took to resolve fault-related complaints raised by customers varied significantly across the different technology types. For the satellite technology type, the range of average time the selected RSPs took to resolve customer fault-related complaints was between seven and 99 calendar days, with an industry average of 19 calendar days.

Figure 10: Range of mean time taken (calendar days) by the selected RSPs to resolve a fault-related complaint, by technology type*

Due to RSP data issues, information was only included from 13 of the selected RSPs.

Number retention-related complaints

> A relatively small number of complaints to the ACMA and the Telecommunications Industry Ombudsman came from consumers who were unable to retain their existing home or business phone number when migrating their services to the network.

Ability to retain landline numbers

> Just over half of the selected RSPs could not provide information about how many of their customers were unable to retain their phone number when migrating to the network.

> Of the selected RSPs that could provide information, there were 621 instances reported of consumers being unable to retain their phone number when migrating to the network.

> Some of the selected RSPs provided reasons why they may not be able to meet requests to port landline numbers to services on the network. These included:

> > disconnection of a consumer's previous service before the porting request was completed by the selected RSP

> > lack of a porting agreement between the losing and gaining providers

> > technical limitations

> > other administrative deficiencies; for example, incorrect information being provided.

Compensation

> The selected RSPs paid or otherwise made available to their network customers a total of $6.64 million in compensation. This included payments made under the Customer Service Guarantee, goodwill payments, contractual rebates and other compensation.

Next steps

The ACMA has used the information received through this exercise to inform the development of interventions to improve the consumer experience. It is also continuing to monitor the network consumer experience through dedicated consumer research, compliance activities, stakeholder discussions and information-gathering. Further reports will be published on our website as part of this work program.

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