

## Credit management

Chapter 7 of the Telecommunications Consumer Protections Code sets minimum standards for informing people of credit assessment and credit management processes, as well as the credit management options that are available. It sets out the minimum standards of practice that all phone companies must follow when taking credit management action. For example, the code sets timeframes for companies to respond to you if you write to them about credit management.

The types of things covered in the code include:

- credit assessment;
- payment difficulties experienced by customers;
- security deposits or guarantees;
- times when disconnection of a service can occur;
- restriction on access to certain services;
- options for limiting unauthorised access; and
- behaviour of debt collection agencies.

### What help can I get from my phone company if I am having trouble paying my bill?

The Telecommunications Consumer Protections Code requires phone companies to have processes for helping customers who experience difficulties paying their bill. These processes must be explained to you in plain language. If you are experiencing payment difficulties you should contact your phone company. Your phone company must also advise you about repayment options that are available.

Phone companies must follow these processes before any credit management action is taken against you.

### Will my phone company offer me a credit limit?

Some phone companies may offer a 'credit limit' which is an upper limit on the amount that can be spent. However, you should not rely on the company taking action if this limit is reached. Some credit limits are only a guideline, so that all that may happen is a call from the company advising you that the limit has been reached. It generally does not work like a credit card limit, and you will be billed for usage over the limit.

### Can my phone company ask for a security deposit?

Your phone company can request a security deposit or bond before connecting or reconnecting your service. However, they must tell you how the bond will be repaid, including any interest accrued on the amount, within 14 days of receiving the bond. The request has to be based on a credit assessment.

### Can my phone company restrict or disconnect my service?

The company can restrict (for example, stop you making outgoing calls but still allow incoming ones) or disconnect your service. Before it takes this action, it must:

- tell you the due date for the outstanding payment;
- provide information about assistance if you are experiencing payment difficulties;
- where relevant, tell you about conditions of access where your services have been restricted;
- tell you about the options available for repayment processes;
- make reasonable attempts to ensure that the advice has been understood;
- make reasonable attempts to deal with the customer who is being billed; and
- make reasonable attempts to tell you that you will be disconnected seven days before the disconnection takes place.

Your phone company must also take reasonable steps to tell you what the consequences of not paying your account will be before disconnecting your service.

### What credit management action can a phone company take if I dispute the amount of money owed?

If you don't agree with the amount owing on your account, a phone company can't take credit management action about the disputed amount while the matter is being investigated and the issue remains unresolved.

You should contact your phone company if you disagree with the payment amount on your bill. The bar on collecting the disputed amount also applies if the Telecommunications Industry Ombudsman is

CANBERRA  
Purple Building Benjamin Offices  
Chan Street  
Belconnen ACT 2617  
PO Box 78  
Belconnen ACT 2616  
T: 02 6219 5555  
F: 02 6219 5200

MELBOURNE  
Level 44, Melbourne Central Tower  
360 Elizabeth Street  
Melbourne VIC 3000  
PO Box 13112 Law Courts  
Melbourne VIC 8010  
T: 03 9963 6800  
F: 03 9963 6899

SYDNEY  
Level 15, Tower 1 Darling Park  
201 Sussex Street  
Sydney NSW 2000  
PO Box Q500  
Queen Victoria Building NSW 1230  
T: 02 9334 7700  
F: 02 9334 7799

investigating the matter. You should pay the undisputed amount.

## Are debt collectors required to follow rules?

Your phone company is responsible for the action of their collection agents. Debt collectors who are agents of a phone company must not act in a way that involves threatening or offensive behaviour, harassment or otherwise unlawful actions.

Your phone company cannot proceed with debt collection action before following credit management processes in the Telecommunications Consumer Protections Code (which state that the customer must be told about billing, payment options and credit management processes). Usually debt collection action would only be taken by a phone company when your service has been disconnected.

## May my phone company disclose my credit information to others?

Where your phone company uses outside agencies to collect overdue amounts, it will pass on information to those agencies (whose actions are subject to various legislative standards). It may also enter an adverse credit report about people who have not paid their phone accounts, but the code also has a rule about ensuring that information is up-to-date and accurate.

## Registration and enforcement of codes

The Australian Communications and Media Authority (ACMA) registered the Telecommunications Consumer Protections Code on 19 May 2008. Industry codes are rules or guidelines governing particular aspects of telecommunications. A code cannot be registered unless the ACMA is satisfied that the code meets criteria set out in legislation.

Compliance by phone companies with the Telecommunications Consumer Protections Code is voluntary. However, if a phone company fails to meet the requirements of this code, the ACMA may direct it to comply with the code and may also seek penalties against the phone company.

## More information

There is more information about [codes](#) on the ACMA website or contact the ACMA's [Consumer Interests Section](#) on (03) 9963 6800.

*Please note: this document is intended as a guide only and should not be relied on as legal advice or regarded as a substitute for legal advice in individual cases.*