

Consumer vulnerability: expectations for the telecommunications industry

Draft for consultation

JULY 2021

Canberra

Red Building
Benjamin Offices
Chan Street
Belconnen ACT

PO Box 78
Belconnen ACT 2616

T +61 2 6219 5555
F +61 2 6219 5353

Melbourne

Level 32
Melbourne Central Tower
360 Elizabeth Street
Melbourne VIC

PO Box 13112
Law Courts
Melbourne VIC 8010

T +61 3 9963 6800
F +61 3 9963 6899

Sydney

Level 5
The Bay Centre
65 Pirrama Road
Pyrmont NSW

PO Box Q500
Queen Victoria Building
NSW 1230

T +61 2 9334 7700 or 1800 226 667
F +61 2 9334 7799

Copyright notice

<https://creativecommons.org/licenses/by/4.0/>

With the exception of coats of arms, logos, emblems, images, other third-party material or devices protected by a trademark, this content is made available under the terms of the Creative Commons Attribution 4.0 International (CC BY 4.0) licence.

We request attribution as © Commonwealth of Australia (Australian Communications and Media Authority) 2021.

All other rights are reserved.

The Australian Communications and Media Authority has undertaken reasonable enquiries to identify material owned by third parties and secure permission for its reproduction. Permission may need to be obtained from third parties to re-use their material.

Written enquiries may be sent to:

Manager, Editorial Services
PO Box 13112
Law Courts
Melbourne VIC 8010
Email: info@acma.gov.au

Contents

Issues for comment	1
Purpose	2
Context	3
Our role	4
Telco obligations	5
Identifying vulnerability	7
Examples of factors that may contribute to vulnerability	7
Protecting vulnerable consumers	9
The role of telco selling practices	9
Difficulties in seeking assistance	10
Financial hardship	10
Our expectations	11
Statement of expectations	12
Priority area 1: Internal business practices	12
Priority area 2: Selling and contracting	13
Priority area 3: Customer service	13
Priority area 4: Financial hardship	14
Priority area 5: Disconnection	15
Invitation to comment	16
Making a submission	16

Issues for comment

The Australian Communications and Media Authority (ACMA) invites comments on our proposal to set expectations for the telecommunications industry on its interactions with consumers in vulnerable circumstances.

Specific questions about particular issues are featured in the relevant sections of this paper and are collated below.

Details on making a submission can be found at the end of this document.

Issue 1: Identifying consumers in vulnerable circumstances

1. The ACMA proposes that when identifying consumers who may be vulnerable, telcos should consider consumer vulnerability in terms of the circumstances that create risks of harm, detriment or disadvantage in consumers' interactions with the telecommunications market. Do you agree with this approach? If not, please explain and provide alternative thinking.

Issue 2: Setting expectations for telcos – priority areas

2. Are the ACMA's 5 proposed priority areas appropriate? Are there any other priority areas that should be substituted or included?
3. Are the outcomes set out under each priority area appropriate? Are there any additional outcomes that should be specified?
4. Are the examples provided in the statement of expectations appropriate and realistic? Are there any additional examples that would assist telcos in understanding how to achieve the objectives?

Responses should be supported by evidence or reasoning, including where relevant, examples of existing practices in the Australian telecommunications sector or in other jurisdictions or sectors.

We invite comment on the statement of expectations by **5 pm AEST, Wednesday 8 September 2021**.

We will consider the feedback received when finalising the statement of expectations. It will also inform our broader program of work on improving outcomes for vulnerable telecommunications consumers.

Purpose

The ACMA promotes a telecommunications sector that is respectful of community standards and diligent in responding to community concerns.

The purpose of this document, *Consumer vulnerability: expectations for the telecommunications industry* (the statement of expectations), is to improve outcomes for vulnerable consumers buying telecommunications products and accessing telecommunications services.

The statement of expectations does this by:

- > emphasising our role as a regulator in protecting vulnerable consumers
- > providing information to assist industry identify vulnerable consumers in a way that recognises the disparate circumstances and wide-ranging reasons that can contribute to vulnerability
- > communicating to industry the importance of being proactive in identifying and responding to consumers in vulnerable circumstances
- > promoting the benefits of supplying telecommunications products and services in a way that meets the needs of consumers whose circumstances put them at risk of disadvantage in their interactions with telcos
- > articulating clear outcomes for industry, so it understands the ACMA's expectations of it in delivering services for consumers in vulnerable circumstances.

Context

Telecommunication services have become a central part of Australian life. Being connected and having access to the internet has become necessary for many to work and access education, health and government services. In this context, telecommunications services are now considered an essential service.

Rising public expectations mean regulators internationally and within Australia recognise the need for essential service markets to be inclusive and responsive to people's circumstances, so markets deliver for all consumers.

The range of products available in the telecommunications market is increasingly varied. Consumers can find it difficult to compare products due to complex technical and pricing information.

In addition, information asymmetry means it can be difficult for consumers to differentiate between a large number of providers and product offerings. In some cases, there may be a range of similar services delivered over the same network (for example, the NBN or a mobile network) and consumers may lack the necessary information to make informed decisions. This highlights the need for accessible information to assist consumers, especially those in vulnerable circumstances.

Australian regulators have begun to give more explicit consideration to consumer vulnerability in carrying out their responsibilities. In February 2020, the Australian Energy Regulator (AER) published a report¹ that reviewed current regulatory approaches to consumer vulnerability, including how consumer vulnerability is defined, current regulatory arrangements across various sectors and jurisdictions, and approaches to supporting vulnerable consumers.

The Australian Securities and Investments Commission (ASIC) has also recently articulated its expectations that the finance industry is proactive in responding to consumer vulnerability.² Additionally, the AER is currently developing a consumer vulnerability strategy, as is the Essential Services Commission Victoria.³

Outside Australia, Ofgem, the UK energy regulator, published its first consumer vulnerability strategy in 2013. These strategies have assisted Ofgem by facilitating a better understanding of consumer vulnerability, providing direction and transparency in its regulatory work, and setting out a framework for practical actions in policy and decision making.

More recently, UK communications regulator Ofcom has released a guideline that encourages an inclusive approach to the design of services, policies and procedures to ensure a wide range of consumers benefit from improved choice and fairness, whether or not they have identified as vulnerable.

¹ Consumer Policy Research Centre (CPRC), [Exploring regulatory approaches to consumer vulnerability: A report for the Australian Energy Regulator](#), CPRC website, February 2020, accessed 25 March 2021.

² Australian Securities & Investment Commission (ASIC), [ASIC's expectations for protecting vulnerable consumers](#), speech by Sean Hughes, ASIC Commissioner, to the Financial Services Assurance Forum, ASIC website, Thursday 26 November 2020, accessed 29 April 2021.

³ Essential Services Commission Victoria ['Regulating with consumer vulnerability in mind'](#), Essential Services Commission website, n.d., accessed 24 May 2021.

We recognise that most Australians will experience being in vulnerable circumstances, in some form, during their lifetime. The devastating effects of environmental emergencies (such as drought, bushfires or floods), the challenge of living with a serious illness, the difficulty of raising a family on a low income and most recently, the impacts of the COVID-19 pandemic, are some of the many circumstances that contribute to people's experience of vulnerability.

A Consumer Policy Research Centre (CPRC) report, commissioned by the Australian Energy Regulator, shows that:

- > 44% of Australians have low levels of literacy
- > 2 in 3 Australians experience some level of financial stress
- > one in 6 Australian women has experienced physical and/or sexual violence by a current or previous partner
- > 30% of Australians have savings of less than one month's income or none at all
- > one in 5 Australians has a disability
- > one in 5 speak a language other than English at home.⁴

These figures highlight the diversity of factors that may contribute to vulnerability and indicates the substantial proportion of consumers that may be affected at any one time.

Our role

The ACMA is Australia's regulator for telecommunications, radiocommunications, broadcasting and some online content.

We are the primary sector-specific regulator for telecommunications, with responsibility for administering key elements of the consumer safeguards framework (including registering industry codes, making standards and determinations, and addressing issues of non-compliance), and fulfilling reporting requirements under the *Telecommunications Act 1997*.

We promote a telecommunications sector that is respectful of community standards and diligent in responding to community concerns. We foster industry compliance, promote better practice and raise awareness amongst consumers of their rights.

We expect vulnerable consumers to receive a level of customer care that is appropriate to enable them to effectively select telecommunications products and services suited to their needs, and to manage these services efficiently.

This statement of expectations has been prepared to provide advice to industry on what the ACMA regards as better practice, and to set out clearly our expectations for how the telco industry supports vulnerable consumers. These expectations derive from existing regulatory obligations, which we set out below.

⁴ CPRC, [Exploring regulatory approaches to consumer vulnerability: A report for the Australian Energy Regulator](#).

Telco obligations

Telcos are required to comply with a range of telco-specific rules in the Telecommunications Consumer Protections Code (TCP Code). The TCP Code is an industry code that provides consumer safeguards in the areas of sales, service and contracts, billing, credit and debt management and changing suppliers.

The TCP Code starts with a broad commitment that telcos will assist and protect disadvantaged and vulnerable consumers with appropriate policies and practices. Building on this commitment, the Code requires telcos to take specific action.

- > **Dealing with the disadvantaged and vulnerable (clause 3.4):** telcos must have regard to best practice on dealing with disadvantaged and vulnerable consumers as set out in the ACCC's Compliance Guide *Don't take advantage of disadvantage: a compliance guide for businesses dealing with disadvantaged or vulnerable consumers* (the ACCC Guide). Telcos must also adopt best practice as set out in the ACCC Guide in their debt collection activities.⁵
- > **Systems, processes and training (clause 3.3):** telcos must have and must regularly review systems and processes to support their TCP Code obligations and ensure staff are adequately trained in those systems and processes.
- > **Responsible selling (clause 4.5.1):** telcos must ensure their sales representatives adopt a responsible approach to selling that assists consumers to make informed purchasing decisions. To achieve this outcome, telcos must:
 - > ensure sales representatives are appropriately trained to promote and sell in a fair, transparent, responsible and accurate manner;
 - > monitor periodically to see how sales representatives interact with consumers and take steps to address deficiencies in sales conduct; and
 - > ensure sales representatives are appropriately trained and have tools and aids to assist consumers to understand the telecommunications products they are purchasing.
- > **Identifying and meeting consumer needs (clause 4.5.2):** where a consumer identifies a particular need, telcos must advise if they have a product or service offering to suit the consumer's identified need and provide information to allow the consumer to assess the suitability of the product or service to meet that need.
- > **Authorised representatives (clause 3.5) and advocates (clause 3.6):** telcos must ensure that a consumer can appoint an authorised representative or an advocate to act on their behalf.
- > **Responsible provision of telecommunications products (clause 6.1):** telcos must have appropriate credit and debt management processes, including by conducting credit assessments at the point-of-sale to prevent consumer over-commitment and providing advice about alternative products where the consumer is unable to meet the financial commitment.
- > **Spend management tools (clause 6.5.):** telcos must provide spend management tools and make information about these tools available in an accessible manner at no cost.
- > **Notice to restrict, suspend or disconnect (clause 6.7):** telcos must provide customers with adequate notice of any restriction, suspension or disconnection of a service for credit/debit reasons.
- > **Financial hardship (clause 7.1):** telcos must provide access to financial hardship assistance, including by having financial hardship policies that are easy to find and

⁵ Australian Competition & Consumer Commission (ACCC), [Don't take advantage of disadvantage: a compliance guide for businesses dealing with disadvantaged or vulnerable consumers](#), ACCC website, 11 March 2011, accessed 21 June 2021.

provide consumers with options to enable them to stay connected, and meet financial obligations.

The TCP Code is enforceable by the ACMA. If we are satisfied a telco has contravened the Code, we can either issue it with a formal warning or a direction to comply. We may take further enforcement action (for example, by issuing an infringement notice or seeking a pecuniary penalty) if a direction is not complied with – that is, where a further breach has occurred.

Identifying vulnerability

Telecommunications services are considered essential services. They underpin extensive economic activity and play an important role in social connection and cohesion. However, individual experiences in accessing and using telecommunications services can be uneven, especially in the face of complex market offerings.

A consumer is vulnerable where circumstances affect their ability to engage productively with the market to buy telecommunications products, and access and maintain telecommunications services, that are suited to their needs.

We consider that vulnerability can occur where a consumer:

- > has a higher risk of experiencing negative outcomes when acquiring goods or services
- > is less able to access telecommunications goods or services that are appropriate for their needs
- > has limited ability to maximise or advocate for their wellbeing
- > has difficulty in finding information or making informed decisions about telecommunications goods or services
- > is more susceptible to certain marketing practices such as upselling or cold calling.

A variety of circumstances and/or characteristics may contribute to a consumer experiencing the types of vulnerability set out above. Vulnerability can occur for personal reasons (for example, income, age, disability, physical or mental health) or as a result of market features (for example, unfair practices, complex product or service offerings, information asymmetries, conflicting commercial incentives), or both.

Examples of factors that may contribute to vulnerability

We appreciate that identifying consumers in vulnerable circumstances can be challenging. To assist telcos identify those who may need additional support, we have set out some examples below of factors that may contribute to vulnerability.

These examples should be considered indicative only – this is not an exhaustive list of situations that may lead to vulnerability.

Specific life events or difficulties that may cause stress and limit the ability to exercise informed choice or advocate for a consumer's own wellbeing.

These may include:

- > family or domestic violence
- > relationship breakdown
- > the death of a loved one
- > financial stress or job loss
- > suffering an accident or chronic physical or psychological illness
- > experiencing a natural disaster or adverse event such as bushfire or flood
- > caring for someone experiencing any of the above circumstances.

Personal or social characteristics that may also impact a consumer's ability to engage productively with the market.

These may include:

- > age (very young or old)
- > low income
- > homelessness
- > coming from a remote area
- > having an indigenous background
- > speaking a primary language other than English
- > poor reading, writing or numerical skills
- > having limited or no access to digital technologies
- > different cultural backgrounds, assumptions or attitudes
- > having an intellectual, psychiatric, physical, sensory, neurological or learning disability.

Questions

Issue 1: Identifying consumers in vulnerable circumstances

1. The ACMA proposes that when identifying consumers who may be vulnerable, telcos should consider consumer vulnerability in terms of the circumstances that create risks of harm, detriment or disadvantage in consumers' interactions with the telecommunications market. Do you agree with this approach? If not, please explain and provide alternative thinking.

Protecting vulnerable consumers

In recent years, there have been indications that practices by some telcos have disadvantaged consumers, particularly those who are vulnerable. Some indicators of this are set out below.

The role of telco selling practices

On 17 May 2021, the TIO released a systemic investigation report⁶, which focused on the role of telco selling practices in consumers signing up for products or services that they don't understand or need. The report identified 4 key themes arising from investigations the TIO conducted across 5 carriage service providers. The key themes included:

- > advertising and point-of-sale information does not always cover key terms
- > online information about telco products and services can be difficult to find and understand
- > telcos do not always responsibly promote or sell their products and services
- > consumers sometimes unknowingly sign up for products or services they do not need.

In November 2020, the Australian Communications Consumer Action Network (ACCAN)⁷ reported that poor sales practices by telcos had led to systemic debt for First Australian telecommunications consumers in regional and remote Central Australian communities. Interviews with First Australian consumers with telecommunications debt revealed a variety of poor practices, including unsolicited upselling, cold calling, misleading or inaccurate advice, pressure tactics and inadequate credit and guarantor assessments. The report found that people were sold mobile devices, accessories and plans they neither needed, nor could afford, on contracts they did not understand.

A more recent Consumer Action Law Centre report into consumer issues in Victorian Aboriginal and/or Torres Strait Islander communities indicates the effects of upselling unaffordable telco products, poor dispute resolution and the associated stress of increasing debt and threat of disconnection is not limited to First Australian consumers in regional or remote areas.⁸

⁶ Telecommunications Industry Ombudsman (TIO), [Helping telco consumers sign up to the right phone and internet products](#), TIO website, May 2021, accessed 15 June 2021.

⁷ C Cartwright and C McAuliffe, [Telecommunications Debt in Rural and Remote Indigenous Central Australian Communities](#), Australian Communications Consumer Action Network website, November 2020, accessed 29 April 2021.

⁸ Consumer Action Koori Help and Victorian Aboriginal Legal Service, [Consumer Issues in Victorian Aboriginal Communities: Integrated practice project report 2020](#), Consumer Action Law Centre website, 14 February 2020, accessed 15 June 2021.

Difficulties in seeking assistance

Research conducted by the CPRC between May and October 2020 found⁹ that:

- > barriers and difficulties in contacting telcos disproportionately affected consumers with disability, with 43% reporting a negative experience
- > 76% of customers seeking payment assistance reported a negative experience with their provider.

More recent CPRC research has also shown that culturally and linguistically diverse (CALD) consumers were about twice as likely to report a negative experience with their telco compared with the broader population.¹⁰

Financial hardship

For the past 2 financial years, we have released annual 'state of play' reports that analyse and report financial hardship data from selected telcos. The most recent report showed that for 2019–20, 19,671 residential customers (across 9 telcos) entered into a financial hardship arrangement.¹¹ Most of these entries occurred during March to June 2020, and thus may have been prompted by the impact of the COVID-19 pandemic.

The report found that less than half (46.7%) of residential customers exiting a financial arrangement did so successfully. At 30 June 2020, total telecommunications financial hardship debt for the 9 providers was \$5.74 million for residential customers (with 81% being debt related to a mobile service). Over the 2019–20 period, 4,080 residential financial hardship customers were disconnected, and 5,515 customers were subject to debt collection activities.¹²

We also undertook qualitative research to explore the perspectives of a small number of financial counsellors who had supported clients in financial hardship arrangements with telcos in 2019–20.¹³ The research indicated:

- > some cases of financial hardship could be prevented if telcos did not sell and up-sell to customers who cannot afford what is being sold or do not understand the financial implications of their purchase
- > inflexibility of contract terms limits how telcos respond to financial hardship
- > consumers and financial counsellors commonly experience difficulties contacting appropriate telco financial hardship staff.

⁹ CPRC, [COVID-19 and Consumers: from crisis to recovery – Monthly Policy Briefing – August Results](#), CPRC website, September 2020, accessed 16 June 2021.

¹⁰ CPRC, [COVID-19 and Consumers: key insights series – CALD consumers](#), CPRC website, March 2021, accessed 15 June 2021.

¹¹ Australian Communications and Media Authority (ACMA), [Customer financial hardship in the telco industry: State of play report 2019–20](#), ACMA website, February 2021, accessed 19 April 2021.

¹² This included some who disconnected before they entered into a financial hardship arrangement, some who did not meet the requirements of their arrangement and some who requested disconnection themselves.

¹³ ACMA, [Telco financial hardship programs: views from financial counsellors – Qualitative research](#), ACMA website, February 2021, accessed 28 April 2021.

In April 2021, Financial Counselling Australia released a report based on interviews with 228 financial counsellors and desktop research to summarise findings from other organisations about the telecommunications industry and customer hardship.¹⁴ Key findings of the report include:

- > Most financial hardship counsellors reported that between one-third to more than half of their clients were struggling with telecommunications debt.
- > Financial hardship practices adopted by telcos were rated as poor. Financial counsellors reported telcos were viewed as providing 'much worse' or 'worse' hardship responses in comparison to the big 4 banks (79%), non-major banks (50%) and electricity retailers (70%).
- > 50% of financial counsellors reported offers of unaffordable hardship arrangements by telcos occurred 'regularly' or 'all the time'.
- > Mis-selling, such as where people are sold excessive devices they don't need or can't use, remains a problem across the industry and is not restricted to just a few fringe telcos.
- > Affordability checks are inadequate, with telcos appearing to focus on their credit risk rather than assessing what a person can reasonably afford to repay. Most financial hardship counsellors reported this occurred in more than 50% of cases.

Our expectations

The above examples highlight the need to improve standards across the telecommunications industry at distinct points in the life cycle of a consumer's interactions with their telco, when:

- > contracting
- > seeking assistance
- > in financial hardship
- > their service is disconnected.

We expect telcos to:

- > be proactive in identifying and responding to consumers in vulnerable circumstances
- > have better-practice policies and processes in place to assist vulnerable consumers to gain and maintain access to telecommunications services that meet their needs and circumstances
- > consider how best to support vulnerable consumers in their business improvement or business strategy decisions.

¹⁴ Financial Counselling Australia (FCA), [Telcos and Financial Hardship: Feedback from the Frontline](#), FCA website, April 2021, accessed 19 April 2021.

Statement of expectations

We have set out 5 key priority areas that telcos should focus on in meeting our high-level expectations.

Each priority area sets out a key goal, expected outcomes, and some examples of how these outcomes may be achieved. However, telcos should not feel limited by these examples. We encourage telcos to be proactive and innovative in developing solutions to meet the needs of vulnerable consumers.

Priority area 1: Internal business practices

Goal

Telcos embed a culture and operating environment that supports better-practice policies and processes for identifying, interacting with and assisting vulnerable consumers.

Outcomes

We expect telcos to:

- > maintain appropriate systems, processes, policies and procedures to assist vulnerable consumers to gain and maintain access to telecommunications services that meet their needs and circumstances
- > provide for executive or senior management oversight of the development, implementation and operation of systems, processes, policies and procedures that affect vulnerable consumers
- > ensure staff who may interact with vulnerable consumers understand the importance of meeting the needs of vulnerable consumers
- > ensure staff who may interact with vulnerable consumers receive specific and regular training to support these interactions, and training in all relevant systems, processes, policies and procedures, including in identifying consumers in vulnerable circumstances
- > support, empower and encourage staff to advise management of any perceived deficiencies or opportunities for improvement in the way the telco assists vulnerable consumers.

Examples

- > Establish specific governance arrangements to provide assurance that sales representatives are interacting with vulnerable consumers appropriately. This could include regular monitoring and reporting on sales representatives' interactions with consumers, with a specific focus on whether sales representatives are proactively identifying vulnerable consumers.
- > Include senior executives in these governance arrangements, to demonstrate to staff that the needs of vulnerable consumers are a priority to the business.
- > Be thorough and specific when considering the scope of staff training. Consider all the requirements, capabilities and information staff will need to effectively interact with vulnerable consumers, and how to measure the effectiveness of the training. Do not rely on generic training not specifically designed for interactions with vulnerable consumers.

- > Make training on relevant systems, processes, policies and procedures for identifying and interacting with consumers in vulnerable circumstances a prerequisite before new staff can interact with consumers.
- > Conduct refresher training – at a minimum once every 12 months.

Priority area 2: Selling and contracting

Goal

Consumers are sold products appropriate to their needs and circumstances.

Outcomes

We expect telcos to:

- > ensure staff make relevant enquiries to help consumers understand and express their needs and select the product or service most suited to those needs
- > not reward their staff for upselling to vulnerable consumers.

Examples

- > Establish processes that consider what a consumer can afford when helping a consumer select the best product or service to suit their needs. This involves going beyond just identifying that a consumer has a source of income and includes exploring whether the nature and stability of that income is likely to support payments for the service the consumer wants, and if not, advising them if there are alternative or lower-cost options available that may suit that consumer.
- > Design sales incentive programs to avoid rewarding staff or agents for upselling additional unneeded products or services to vulnerable consumers.
- > Have simple contracts that are in plain English – make contracts available in different formats for consumers (including making them available in languages other than English as needed), and ensure all costs, key conditions and payment arrangements are clear upfront.

Priority area 3: Customer service

Goal

An accessible and inclusive telecommunications market where telcos understand, identify and assist consumers who may benefit from additional or specialised support.

Outcomes

We expect telcos to:

- > design their customer service arrangements and communications to be inclusive and accessible to consumers in vulnerable circumstances
- > train staff to be able to recognise vulnerable situations that consumers may be in, tailor how they communicate with consumers in recognition of those situations, and offer relevant support or referrals to appropriate support services
- > train staff to facilitate consumers self-identifying as vulnerable, where vulnerability is suspected.

Examples

- > Make webpages with key policies, procedures and contact and accessibility information easy to find. For example, information about where to go for help resolving an issue with a product or service should be prominently linked from the homepage and include all available contact methods. Website search functions should bring up relevant policies, procedures and useful information in response to a consumer request.

- > Respond to the potential accessibility needs of vulnerable consumers when making information available. This may include making sure it is readable by screen-reader software and by offering information about help and support services in different formats and languages. Make information available for consumers who may not be able to access or use the internet. This may include providing paper copies on request or through agents.
- > Require all staff who interact with customers, including part-time, casual and contract staff, to undertake initial training and regular refresher training.
- > Have a program for evaluating the adequacy of staff training and in-house support for staff in dealing with vulnerable consumers and implement any changes from these evaluations in a timely way.
- > Design consumer interaction channels, including directing consumers to preferred channels, taking into account known and potential vulnerabilities of the consumer base.
- > Design customer relationship management systems and associated processes to enable the recording of a consumer's vulnerability in a way that assists with future interactions between the consumer and the telco.
- > Develop and track indicators about vulnerable consumers' experience with you as their telco and use these to inform operational and strategic business development decisions.

Priority area 4: Financial hardship

Goal

Telcos support those struggling with their bills so they can retain access to their services.

Outcomes

We expect telcos to:

- > train staff to formulate or select financial hardship arrangements best suited to an individual consumer's circumstances, including giving appropriate staff authorisation to tailor arrangements to a particular consumer
- > offer flexibility in their contract arrangements, including easily moving to cheaper contracts and cancellation of contracts at minimal or no cost, as relevant to the circumstances of a consumer
- > ensure repayment arrangements are reasonable for the consumer in the context of their ability to pay and other circumstances, both in terms of payment amounts and the repayment schedule
- > minimise the use of restrictions on services that prevent the making of important calls or undertaking important online activities
- > ensure consumers properly understand financial hardship arrangements
- > only deny entry to financial hardship arrangements in specific circumstances, for example, where there is clear evidence a consumer can afford to pay their debt without entering into such an arrangement
- > monitor repayment arrangements and proactively respond to indicators of emerging difficulty for a consumer

Examples

- > Make information about financial hardship policies easy to access and understand for consumers and financial counsellors. Clear information should be provided on websites, on bills and via telephone.

- > Ensure all staff who interact with consumers understand the telco's financial hardship policy and the options available to consumers, including call centre staff, who in many cases will be a consumer's first point of contact when experiencing hardship.
- > Give all consumers that identify as being in financial hardship the choice to negotiate their own financial hardship arrangement with the support of appropriately trained staff. If a consumer has special needs or expresses a wish to do so, allow them the opportunity to engage with a financial counsellor before making any commitments.
- > Make specialised financial hardship assistance staff easy to contact by a variety of mechanisms, including by phone. Not all consumers have access to computers and may not always be able to access the internet, so consumers should not be limited to contacting their telco about financial hardship via an app or website.

Priority area 5: Disconnection

Goal

Disconnection is a last resort and only undertaken after consultation with the affected consumer or as part of an agreed financial hardship arrangement.

Outcomes

We expect telcos to:

- > ensure that consumers facing disconnection have been offered all appropriate solutions and options to avoid disconnection occurring
- > minimise the number of consumers disconnected while in a financial hardship arrangement or within 12 months of exiting a financial hardship arrangement.

Examples

- > Ensure all cases where a consumer faces disconnection are escalated to a staff member with appropriate skills, experience or qualifications in interacting with vulnerable consumers. This may assist in determining whether the consumer is experiencing vulnerability and whether any other options or solutions can be considered to keep the consumer connected.
- > Have a proactive program for reviewing disconnections to determine if they could have reasonably been avoided and implement any lessons into policies and procedures.

Questions

Issue 2: Setting expectations for telcos – priority areas

2. Are the ACMA's 5 proposed priority areas appropriate? Are there any other priority areas that should be substituted or included?
3. Are the outcomes set out under each priority area appropriate? Are there any additional outcomes that should be specified?
4. Are the examples provided in the statement of expectations appropriate and realistic? Are there any additional examples that would assist telcos in understanding how to achieve the objectives?

Responses should be supported by evidence or reasoning, including where relevant, examples of existing practices in the Australian telecommunications sector or in other jurisdictions or sectors.

Invitation to comment

Making a submission

We invite comments on the issues set out in this consultation paper.

- > [Online submissions](#) can be made by uploading a document. Submissions in PDF, Microsoft Word or Rich Text Format are preferred.
- > Submissions by post can be sent to:
 - The Manager
 - Telecommunications Performance and Regulation Section
 - Australian Communications and Media Authority
 - PO Box 13112
 - Law Courts
 - Melbourne VIC 8010

The closing date for submissions is **5 pm AEST, Wednesday 8 September 2021**.

Consultation enquiries can be emailed to TelcoPerformanceRegulation@acma.gov.au.

Publication of submissions

We publish submissions on our website, including personal information (such as names and contact details), except for information that you have claimed (and we have accepted) is confidential.

Confidential information will not be published or otherwise released unless required or authorised by law.

Privacy

View information about our policy on the [publication of submissions](#), including collection of personal information during consultation and how we handle that information.

Information on the *Privacy Act 1988*, how to access or correct personal information, how to make a privacy complaint and how we will deal with any complaints, is available in our [privacy policy](#).