

## Investigation Report

<b>File No.</b>	ACMA2022/674
<b>Carriage service provider</b>	TPG Telecom Limited (in connection with Vodafone brand)
<b>ACN</b>	ACN 096 304 620
<b>Scope of investigation</b>	Compliance with clauses 6.7.4 and 6.7.5 of the Telecommunications Consumer Protections Code C628:2019

### Summary of findings

1. The Australian Communications and Media Authority (**the ACMA**) finds that TPG Telecom Limited operating as Vodafone (**TPG**) has contravened the Telecommunications Consumer Protections Code C628:2019 (**the TCP Code**) on 70 occasions between 10 May 2022 and 17 August 2022 by failing to comply with the following clauses in the TCP Code:
  - a. 6.7.4(b) on 10 occasions between 31 May 2022 and 7 July 2022 by failing to include in restriction notices sent by SMS to 10 customers a link to its financial hardship policy.
  - b. 6.7.5(c) on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information in the disconnection notice that informs customers about the consequences of non-payment, including that the customer's default leading to the disconnection may be disclosed to a credit reporting body and/or collection agency and/or debt buyer and may be added to the customer's credit file with a credit reporting body when notifying 20 customers about service disconnection.
  - c. 6.7.5(e) on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information in the disconnection notice that the debt may be passed to a collection agency and/or debt buyer when notifying 20 customers about service disconnection.
  - d. 6.7.5(f) on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information in the disconnection notice that legal action may be taken to recover the unpaid debt when notifying 20 customers about service disconnection.

### Background

2. The TCP Code is registered under Part 6 of the *Telecommunications Act 1997* (**the Act**) and sets out rules that apply to all carriage service providers (**CSPs**) that supply telecommunications products to residential and small business consumers.
3. TPG is an Australian company that provides telephone and internet services, which are listed carriage services, to residential and small business customers. It is therefore a CSP within the meaning of section 87 of the Act and is a supplier for the purposes of the TCP Code.

4. On 21 September 2022, the ACMA issued TPG with a notice under subsection 521(2) of the Act (the **Notice**). The Notice required TPG to provide information and documents relevant to its compliance with the TCP Code including copies of reminder notices and notices issued to customers that related to a decision by TPG to restrict, suspend or disconnect a customer's telecommunications service due to credit and/or debt management reasons, most recently before 31 August 2022
5. After considering the information provided by TPG in response to the Notice, the ACMA commenced an investigation under Part 26 of the Act into TPG's compliance with clauses 6.7.4 and 6.7.5 of the TCP Code.
6. On 17 February 2023, the ACMA sent its preliminary findings report to TPG and invited it to respond. On 23 March 2023, TPG provided the ACMA with a submission in response.
7. In TPG's submission, it corrected previous information it had provided to the ACMA in relation to its attribution of some courtesy notifications as reminder notices.
8. In the course of the investigation, the ACMA examined
  - a. information obtained from TPG in response to the Notice, including copies of notices issued to 20 customers that related to a decision by TPG to restrict, suspend or disconnect a customer's telecommunications service due to credit and/or debt management reasons, most recently before 31 August 2022.
  - b. TPG's submission to the ACMA's preliminary findings received on 23 March 2023 and further information TPG provided on 28 April 2023.

### **Findings and reasons**

9. Having assessed the information before it, the ACMA is of the view that TPG has contravened clauses 6.7.4(b), 6.7.5(c), 6.7.5(e) and 6.7.5(f) of the TCP Code. Details of the contraventions are set out below.

#### ***Clause 6.7.4(b) – Content of restriction notices - financial hardship policy***

10. Under clause 6.7.4 of the TCP Code, suppliers must, where issuing restriction notices by a method other than email or letter (such as SMS), include a link to the financial hardship policy.
11. The table at **Attachment A** sets out the restriction notices TPG sent by SMS to 10 of its customers who were not subject to a financial hardship agreement.
12. The ACMA considers that compliance with clause 6.7.4(b) requires that the content of the restriction notice includes a direct link to the supplier's financial hardship policy. None of the 10 restriction notices issued to the 10 customers listed in **Attachment A** between 31 May 2022 to 7 July 2022 include a link to TPG's financial hardship policy.
13. Accordingly, the ACMA finds that, for the reasons set out above and in **Attachment A**, TPG contravened clause 6.7.4(b) on 10 occasions between 31 May 2022 to 7 July 2022 by failing to issue restriction notices to 10 customers that include a link to its financial hardship policy.

#### ***Clause 6.7.5 – Content of disconnection notice***

##### ***Clause 6.7.5(c) – Content of disconnection notice – consequences of non-payment***

14. Under clause 6.7.5(c) of the TCP Code, if a supplier is notifying a customer about a disconnection of the customer's telecommunications service by email or letter, the supplier must inform the customer about the consequences of non-payment, including that the customer's default leading to the disconnection may be disclosed to a credit reporting body and/or collection agency and/or debt buyer and may be added to the customer's credit file with a credit reporting body.

15. None of the 20 disconnection notices TPG sent by letter to the 20 customers listed in **Attachment B** between 22 June 2022 and 17 August 2022 include information about the consequences of non-payment. A deidentified example of the disconnection notice TPG sent to the 20 customers is at **Attachment C**.
16. Accordingly, the ACMA finds that TPG contravened clause 6.7.5(c) of the TCP Code on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information, or link to the information, in the disconnection notice about the consequence of non-payment when notifying 20 customers about service disconnection.

*Clause 6.7.5(e) – Content of disconnection notice – debt may be passed on to a collection agency*

17. Under clause 6.7.5(e) of the TCP Code, if a supplier is notifying a customer about a disconnection of the customer's telecommunications service by email or letter, the supplier must inform the customer that the debt may be passed on to a collection agency and/or debt buyer.
18. None of the 20 disconnection notices TPG sent by letter to the 20 customers listed in **Attachment B** between 22 June 2022 and 17 August 2022 include information that the debt may be passed on to a collection agency.
19. Accordingly, the ACMA finds that TPG contravened clause 6.7.5(e) of the TCP Code on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information, or a link to the information, in the disconnection notice that the debt may be passed on to a collection agency and/or debt buyer when notifying 20 customers about service disconnection.

*Clause 6.7.5(f) – Content of disconnection notice – legal action may be taken*

20. Under clause 6.7.5(f) of the TCP Code, if a supplier is notifying a customer about a disconnection of the customer's telecommunications service by email or letter, the supplier must inform the customer that legal action may be taken to recover the unpaid debt.
21. The ACMA notes that TPG's collection policy, [Our Collections Policy | Vodafone Australia<sup>1</sup>](#), states:
  - We'll lodge a credit default with Equifax (formally Veda Advantage) and Illion (formally Dun & Bradstreet) 60 days from the due date of your final bill.
  - Debts may be sold to a Debt purchaser that is a current member of an ASIC approved external dispute resolution scheme once all collection activity are exhausted and the final bill remains unpaid.
  - You will be referred to our debt collection agents to commence action if you don't pay your final bill by the due date... These agencies, at their own discretion, seek to commence legal action in order to recover the debt and that may involve further costs to you.
22. None of the 20 disconnection notices TPG sent by letter to the 20 customers listed in **Attachment B** between 22 June 2022 and 17 August 2022 include information that legal action may be taken to recover the unpaid debt.
23. Accordingly, the ACMA finds that TPG contravened clause 6.7.5(f) of the TCP Code on 20 occasions between 22 June 2022 and 17 August 2022 by failing to include information or a link to the information in the disconnection notice that legal action may be taken when notifying 20 customers about service disconnection.

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<sup>1</sup> <https://www.vodafone.com.au/support/billing/collections> (accessed on 8 February 2022)

## Compliance with clauses 6.7.4 of the TCP Code

A	B	C	D	E
Clause of TCP Code	Obligation	Customer	Particulars of contraventions	Date of contraventions
6.7.4(b)	<p><b>Content of restriction notices</b></p> <p>If notifying a customer about a Supplier's Restriction of the Customer's Telecommunications Service by a method other than email or letter (such as SMS), include a link to the Supplier's financial hardship policy</p>	<ol style="list-style-type: none"> <li>1. [REDACTED]</li> <li>2. [REDACTED]</li> <li>3. [REDACTED]</li> <li>4. [REDACTED]</li> <li>5. [REDACTED]</li> <li>6. [REDACTED]</li> <li>7. [REDACTED]</li> <li>8. [REDACTED]</li> <li>9. [REDACTED]</li> <li>10. [REDACTED]</li> </ol>	<p>The 10 restriction notices issued by SMS to the 10 customers listed in column C state:</p> <p><i>Hi, unfortunately your account is overdue by X and is scheduled for restrictions from X. If your payment is not received by this date your outbound calls, outbound SMS and data will be blocked. Your minimum monthly charges will continue as per your contract. To pay online <a href="http://www.vodafone.com.au/yabill">www.vodafone.com.au/yabill</a> or call 1527 to make a credit card payment.</i></p> <p>These 10 restriction notices (identified by TPG as the Obar SMS) do not contain a link to the financial hardship policy. The ACMA considers that to meet the requirements of clause 6.7.4(b) the content of the restriction notice must include a link to the financial hardship policy. Accordingly, the ACMA is of the view that TPG contravened clause 6.7.4(b) when issuing 10 restriction notices to the 10 customers identified in column C of this table.</p>	31 May 2021 to 7 July 2022

List of 20 customers sent disconnection notices by TPG

<b>Financial hardship customers</b>	
1.	[REDACTED]
2.	[REDACTED]
3.	[REDACTED]
4.	[REDACTED]
5.	[REDACTED]
6.	[REDACTED]
7.	[REDACTED]
8.	[REDACTED]
9.	[REDACTED]
10.	[REDACTED]
<b>Non-financial hardship customers</b>	
1.	[REDACTED]
2.	[REDACTED]
3.	[REDACTED]
4.	[REDACTED]
5.	[REDACTED]
6.	[REDACTED]
7.	[REDACTED]
8.	[REDACTED]
9.	[REDACTED]
10.	[REDACTED]

20/07/2022

[REDACTED]

Customer Number: [REDACTED]  
Overdue Amount: [REDACTED]  
Total Balance: \$ [REDACTED]

**NOTICE OF PENDING DISCONNECTION**

[REDACTED]

Your service is now due to be disconnected as your account remains overdue. If you'd like to avoid that, please pay the overdue amount (shown above) straight away. You can make a credit card payment by calling **1300 650 145**. we're available 24/7.

If you have paid your account recently then thank you, and don't worry about reading on. Failure to make payment of the overdue amount within 7 business days will result in the following:

- Your service will be disconnected, and your current plan and number might not be available if you reconnect later; and
- You will receive a final bill which is made up of the remaining monthly services and/or mobile equipment charges on your contract. The full amount would become due and payable within 14 days from the date of issue.

If you are experiencing financial hardship we may be able to assist you. Please call us on **1300 650 405** to discuss your situation. You can call us from 8am to 8pm AEST, Monday to Friday. To review our Financial Hardship Policy, visit <https://vfau.co/hardship>

Regards,

Vodafone Collections Team