

## Investigation Report

<b>File No.</b>	ACMA2022/684
<b>Carriage service provider</b>	Telstra Corporation Limited (in connection with the supply of services by Belong (a division of Telstra))
<b>ACN</b>	051 775 556
<b>Scope of investigation</b>	Compliance with clauses 6.7.1, 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 Telstra Corporation Limited (**Telstra**), in connection with the supply of telecommunications services by Belong (a division of Telstra), contravened the Telecommunications Consumer Protections Code C628:2019 (**the TCP Code**) on 19 occasions between 31 January 2022 and 9 August 2022 by failing to comply with the following clauses in the TCP Code:
  - a. 6.7.1 on 6 occasions between 2 March 2022 and 5 July 2022 by failing to give 6 customers at least 5 working days' notice prior to the restriction or suspension of their telecommunications service for credit and/or debt management reasons, in circumstances where clause 6.7.1(a) did not apply.
  - b. 6.7.4(b) on 6 occasions between 31 January 2022 and 20 May 2022 by failing to include information in 6 restriction or suspension notices that informs customers about its financial hardship policy when notifying these customers about a restriction or suspension of the customer's telecommunication service.
  - c. 6.7.5(a) on 7 occasions between 1 May 2022 and 9 August 2022 by failing to include information in 7 disconnection notices that, after disconnection has occurred, the customer's service plan and/or telco product (including, where applicable, telephone number) may no longer be available when notifying these 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. Telstra 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 Telstra with a notice under subsection 521(2) of the Act (**the Notice**). The Notice required Telstra to provide information and documents relevant to its compliance with the TCP Code in relation to its Belong brand, including copies of reminder notices and notices issued to Belong customers that related to a decision by Telstra 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 Telstra in response to the Notice, the ACMA commenced an investigation under Part 26 of the Act into Telstra's compliance with clauses 6.6 and 6.7 of the TCP Code.
6. On 24 February 2022, the ACMA sent its preliminary findings report to Telstra and invited it to respond. On 14 March 2023, Telstra provided the ACMA with a submission in response.
7. On 16 May 2023, the ACMA sent its revised preliminary findings report to Telstra and invited it to respond. On 1 June 2023, Telstra provided the ACMA with a submission in response.
8. In the course of the investigation, the ACMA examined information obtained from Telstra in response to the Notice. The ACMA also examined Telstra's 14 March 2023 and 1 June 2023 responses to the ACMA's preliminary and revised preliminary findings reports.

### **Findings and reasons**

9. Having assessed the information before it, the ACMA finds that Telstra contravened clauses 6.7.1, 6.7.4(b), and 6.7.5(a) of the TCP Code. Details of the contraventions are set out below.

#### ***Clause 6.7 – Notice to restrict, suspend, or disconnect a service for credit and/or debt management reasons***

10. The overarching requirement in clause 6.7 is that suppliers must ensure customers are given adequate notice regarding a decision by the supplier to restrict, suspend or disconnect their telecommunications service for credit and/or debt management reasons.
11. It is the ACMA's view that the notification obligations under clause 6.7 must be met in a single notification to the customer. That is, in one notice a supplier must give 'adequate notice' by: communicating that decision clearly and giving the customer sufficient prior notice (clause 6.7.1); taking certain precautions (clause 6.7.2); and providing the customer with information that will assist them to understand their situation and to take action to avoid restriction, suspension, or disconnection (clauses 6.7.3, 6.7.4, and 6.7.5).

#### ***Clause 6.7.1 – Prior notice of restriction, suspension or disconnection action***

12. Under clause 6.7.1 of the TCP Code, suppliers must give customers at least 5 working days' notice prior to the restriction, suspension or disconnection of the telecommunications service for credit and/or debt management reasons, unless clause 6.7.1(a) applies.
13. Clause 6.7.1(a) states that a supplier may only restrict, suspend, or disconnect a telecommunications service for credit and/or debt management reasons without first informing the customer if:
  - a. the supplier assesses that the customer or the account status presents an unacceptably high credit risk to the supplier;
  - b. the supplier reasonably suspects fraud or attempted fraud; or
  - c. the customer has nominated to the supplier a restriction point and the customer has reached that restriction point.
14. The Notice limited the scope of information and documentation to be provided by Telstra to 2 cohorts of 10 customers each that Telstra disconnected for credit and/or debt management reasons most recently before 31 August 2022, where clause 6.7.1(a) did not apply.
15. In its 14 March 2023 response, Telstra submitted that it had not breached clause 6.7.1 on the 24 occasions initially identified by the ACMA because, on all 24

occasions, Telstra had issued earlier notifications to the customers advising that their services would be restricted, suspended, or disconnected unless payment of the outstanding amount was made, and had provided the requisite minimum 5 working days' notice. Telstra submitted that these earlier notifications constitute the relevant notice for the purposes of complying with clause 6.7.1 and that those notices satisfied the requirement in clause 6.7.1.

16. The ACMA has now assessed Telstra's compliance with clause 6.7.1 against the 'earlier notifications' identified by Telstra.
17. As discussed above, the overarching requirement in clause 6.7 is that suppliers must ensure customers are given adequate notice regarding a decision by the supplier to restrict, suspend or disconnect their telecommunications service for credit and/or debt management reasons. The ACMA takes the view that the intention of clause 6.7.1, therefore, is to ensure that customers are given adequate notice regarding an *actual decision* by a supplier to restrict, suspend or disconnect their service, as opposed to a notice which merely indicates that a service *may be* or *is most likely to be* restricted, suspended or disconnected.
18. Consequently, it is the ACMA's view that in order for a supplier to give customers at least 5 working days' notice prior to restriction, suspension, or disconnection of the service for credit or debit management reasons, in compliance with clause 6.7.1:
  - a. the supplier's restriction, suspension, or disconnection notice must include an explicit statement to the customer that their service *will be* restricted, suspended, or disconnected on or after a specified date or time period. That is, the notice should clearly convey to the customer that the supplier has made a decision to restrict, suspend, or disconnect their service on or after the relevant date if payment is not received from the customer, and
  - b. the relevant action should not occur for at least 5 working days after the supplier has notified the customer of its decision.
19. In its 1 June 2023 response, Telstra submitted that its decision-making process with respect to the restriction, suspension, and disconnection of Belong customers' services is automated, meaning that there is no 'decision' in the sense of an individual person examining each instance and deciding on an outcome. The ACMA does not consider that the TCP Code requires or implies that the relevant decision to be reflected in the notice must be made on a case-by-case basis by an individual person, and accepts that a supplier's decision-making process regarding credit and debt management and restriction, suspension, and disconnection may be automated.
20. Telstra also submitted that it sought to use 'softer' language in its Belong customer messaging to improve the customer experience, but nevertheless considers that the language of the notifications in question was adequately clear.
21. In the 6 cases identified and for the reasons given at **Attachment A**, the ACMA does not accept that the earlier notifications as submitted by Telstra gave the requisite notice prior to restriction or suspension because they did not include an explicit statement to the customer that their service will be restricted or suspended.
22. Accordingly, the ACMA finds that Telstra contravened clause 6.7.1 on 6 occasions between 2 March 2022 and 5 July 2022 by failing to give 6 customers at least 5 working days' notice prior to the restriction or suspension of their telecommunications service for credit and/or debt management reasons, in circumstances where clause 6.7.1(a) did not apply.

**Clause 6.7.4(b) – Content of restriction or suspension notice – Financial hardship policy**

23. Under clause 6.7.4(b) of the TCP Code, if a supplier is notifying a customer about restriction or suspension of the customer’s telecommunications service by email or letter, the supplier must inform the customer about the supplier’s financial hardship policy in case the customer needs such assistance.
24. The ACMA made revised preliminary findings that Telstra breached clause 6.7.4(b) on 6 occasions between 31 January 2022 and 20 May 2022 by failing to include information in 6 restriction or suspension notices that informs customers about its financial hardship policy when notifying these customers about a restriction or suspension of the customer’s telecommunication service.
25. In its 1 June 2023 response, Telstra contested the ACMA’s preliminary findings on the basis that Telstra had sent earlier notices to these customers that included a direct link to Belong’s financial hardship policy.
26. The ACMA accepts that all but one<sup>1</sup> of the 6 customers identified in the revised preliminary report received at least one notification that included a link to the Belong financial hardship policy in the footer that is common to Belong templated emails in the weeks prior to the restriction or suspension of their service<sup>2</sup>. We note that, according to the information submitted by Telstra in response to the Notice, these 6 customers all initiated contact with Telstra to request a payment extension and that, arguably, these customers therefore had awareness of financial hardship options available to them, either via these earlier notices or via other means (for example, by searching for financial assistance options on the Belong website).
27. However, as discussed above, it is the ACMA’s view that the notification obligations under clause 6.7 must be met in a single notification to the customer, and not via multiple notifications sent over a period of time or consecutively. That is, the ACMA does not accept Telstra’s submission that it can comply with one aspect of these code requirements via an earlier notice, and other aspects via later notices.
28. Based on the ACMA’s assessment of the information provided by Telstra in response to the Notice against the requirements of clause 6.7.4(b), having regard to Telstra’s submissions of 14 March 2023 and 1 June 2023, and for the reasons set out in **Attachment B**, the ACMA finds that Telstra contravened clause 6.7.4(b) on 6 occasions between 31 January 2022 and 20 May 2022 by failing to include information about, or a direct link to, Belong’s financial hardship policy when notifying 6 customers about service restriction or suspension.

**Clause 6.7.5(a) – Content of disconnection notice – Telecommunications service plan and/or product may no longer be available**

29. Under clause 6.7.5(a) 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, after disconnection has occurred, the customer’s telecommunications service plan and/or product (including, where applicable, telephone number), may no longer be available. If the disconnection

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<sup>1</sup> Customer [REDACTED] did not receive an earlier email because they contacted Belong to request a payment extension before the ‘Day 1 – initial payment failed’ reminder notice was sent.

<sup>2</sup> The 5 customers that received earlier emails with this link range from: Customer [REDACTED] who received 3, the most recent of which gave them 9 working days prior to service suspension in which to act on the policy; customer [REDACTED] who received only one, which gave them 12 working days in which to act; and customer [REDACTED] who received 3, the most recent of which gave 24 working days in which to act – that is, this customer received an email with a link to the policy 5 weeks prior to service suspension, which raises a question as to its timeliness and effectiveness.

notice is issued by a method other than email or letter (such as SMS), the notice must include a link to the information detailed in clause 6.7.5(a).

30. The ACMA finds that on 7 occasions between 1 May 2022 and 9 August 2022 Telstra has failed to include the requisite information when notifying 7 customers about service disconnection in breach of clause 6.7.5(a). The first 5 customers (**the 5 internet customers**) received an SMS from Telstra which has been assessed by the ACMA for compliance against the requirement in clause 6.7.5(a) (customers [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]). The last 2 customers (**the 2 mobile customers**) received an email from Telstra which has been assessed by the ACMA for compliance against the requirement in clause 6.7.5(a) (customers [REDACTED] and [REDACTED]).
31. In its 14 March 2022 response, Telstra submitted that it had not breached clause 6.7.5(a) in relation to the 5 internet customers because the services in question were internet-only services, and disconnection of a Belong customer's internet service has no impact on the customer's mobile service (and vice versa). Telstra submitted that there is therefore no possibility that a customer may lose the telephone number assigned to their phone service when their internet service is disconnected.
32. Clause 6.7.5(a) requires a supplier to inform affected customers in the disconnection notice that, following disconnection of their telecommunications service, the applicable telecommunications plan and/or product may no longer be available to the customer. The ACMA's view is that it is irrelevant whether the service is an internet only service. An internet-only service is part of a telecommunications service plan or product and clause 6.7.5(a) requires that a customer must be given information that that plan or product may no longer be available after disconnection occurs.
33. In its 1 June 2023 response, Telstra submitted that later notices sent to the 2 mobile customers provided them with the requisite information.
34. As discussed above, it is the ACMA's view that the notification obligations under clause 6.7 must be met in a single notification to the customer, and not via multiple notifications sent over a period of time or consecutively. That is, the ACMA does not accept Telstra's submission that it can comply with one aspect of these code requirements via an earlier notice, and other aspects via later notices.
35. Based on the ACMA's assessment of the information provided by Telstra in response to the Notice against the requirements of clause 6.7.5(a), having regard to Telstra's submissions of 14 March 2023 and 1 June 2023, and for the reasons set out in **Attachment B**, the ACMA finds that Telstra contravened clause 6.7.5(a) on 7 occasions between 1 May 2022 and 9 August 2022 when it failed to include the requisite information when notifying 7 customers about service disconnection.

## Compliance with clause 6.7.1 of the TCP Code

A	B	C	D	E
<b>Customer</b> (All [REDACTED] customers are financial hardship customers)	<b>Date restriction (R) or suspension (S) occurred</b>	<b>Date of first notification giving notice of R or S as advised by Telstra on 14/3/2023</b>	<b>Notification type</b>	<b>Did Telstra provide the customer at least 5 working days' notice as required by clause 6.7.1?</b>
[REDACTED]	R: 27/04/2022	R: 13/04/2022	Payment extension confirmation email, sent following the customer's request for an extension.	This email includes the text: <i>If payment is not made on or before 27/04/2022 the services will likely be restricted or suspended with immediate effect.</i> This email does not convey to the customer that Telstra had made a decision to restrict their service, as it only refers to <i>likely</i> restriction or suspension, which is not an explicit statement that the customer's service <i>will be</i> restricted. Given this, the ACMA is of the preliminary view that Telstra did not provide the customer with at least 5 working days' notice prior to restricting their service, as required by clause 6.7.1.
[REDACTED]	S: 3/06/2022	S: 20/05/2022	Payment extension confirmation email	This email includes the text: <i>If payment is not received before the 03rd of June, 2022, services will most likely be restricted or suspended immediately.</i> This email does not convey to the customer that Telstra had made a decision to suspend their service, as it only mentions that restriction or suspension will <i>most likely</i> occur, which is not an explicit statement that the customer's service <i>will be</i> suspended. Given this, the ACMA is of the preliminary view that Telstra did not provide the customer with at least 5 working days' notice prior to suspending their service, as required by clause 6.7.1.
[REDACTED]	S: 30/03/2022	S: 2/03/2022	Payment extension confirmation email	This email includes the text: <i>If payment is not received before the [date], services will most likely be restricted or suspended immediately.</i> This email does not convey to the customer that Telstra had made a decision to suspend their service, as it only states that restriction or suspension will <i>most likely</i> occur, which is not an explicit statement that the customer's service <i>will be</i> suspended. Given this, the ACMA is of the preliminary view that Telstra did not provide the customer with at least 5 working days' notice prior to suspending their service, as required by clause 6.7.1.
[REDACTED]	S: 19/07/2022	S: 5/07/2022	'Day 1 – initial payment failed' SMS sent following an unsuccessful direct debit attempt.	This SMS includes the text: <i>To update your details, use the Belong app or belong.com.au/pay. You will need to do this before 15/07/2022 or your service may be suspended.</i>

A	B	C	D	E
<b>Customer</b> (All █████ customers are financial hardship customers)	<b>Date restriction (R) or suspension (S) occurred</b>	<b>Date of first notification giving notice of R or S as advised by Telstra on 14/3/2023</b>	<b>Notification type</b>	<b>Did Telstra provide the customer at least 5 working days' notice as required by clause 6.7.1?</b>
				This SMS does not convey to the customer that Telstra had made a decision to suspend their service, as it only states that service suspension <i>may</i> occur, which is not an explicit statement that the customer's service <i>will be</i> suspended. Given this, the ACMA is of the preliminary view that Telstra did not provide the customer with at least 5 working days' notice prior to suspending their service, as required by clause 6.7.1.
█████	S: 19/07/2022	S: 5/07/2022	'Day 1 – initial payment failed' SMS	No. As above.
█████	S: 19/07/2022	S: 5/07/2022	'Day 1 – initial payment failed' SMS	No. As above.

## Compliance with clauses 6.7.4 and 6.7.5 of the TCP Code

TCP Code clause	Obligation				
6.7.4(b)	<p><b>Content of Restriction or Suspension notice:</b> If notifying a Customer about a Supplier's Restriction or Suspension of the Customer's Telecommunications Service by email or letter, [the notice must] inform the Customer of the following:</p> <p>a) about the Supplier's Financial Hardship policy in case the Customer needs such assistance</p>				
A	B	C	D	E	F
Customer (All [REDACTED] customers are financial hardship customers)	Date of R or S notice	Notice (R or S)	Notification type and method	Particulars of contravention	Final finding
[REDACTED]	13/05/2022	S	Payment extension confirmation email	<p>Emails sent to 3 customers to advise them that their request for a payment extension had been granted, which Telstra submitted in its 14 March 2023 response gave these customers prior notice of restriction or suspension (as applicable), do not contain information that informs the customer about the Belong financial hardship policy, nor do they include a link to the policy.</p> <p>These emails include a link to a page on the Belong website<sup>3</sup> which provides a series of Frequently Asked Questions (<b>FAQ</b>) topics for customers. There is no immediate access to the Belong financial hardship policy – customers must navigate to the policy themselves via at least 4 clicks.</p> <p>Similarly, these 2 payment extension confirmation emails, which Telstra submitted in its 14 March 2023 response gave these customers prior notice of suspension, also do not contain the requisite information.</p> <p>They provide a more direct link to the FAQ page for mobile customers on the Belong website<sup>4</sup>. Customers</p>	<p>The ACMA considers that, in order to meet the requirements of clause 6.7.4(b), the content of the notice must explicitly reference, or include a direct link to, the supplier's financial hardship policy.</p> <p>Accordingly, the ACMA is of the preliminary view that Telstra contravened clause 6.7.4(b) when issuing 2 restriction and 4 suspension notices to the 6 customers listed in column A.</p>
[REDACTED]	13/04/2022	R	Payment extension confirmation email		
[REDACTED]	11/02/2022	R	Payment extension confirmation email		
[REDACTED]	20/05/2022	S	Payment extension confirmation email		
[REDACTED]	2/03/2022 <sup>5</sup>	S	Payment extension confirmation email		

<sup>3</sup> Available at <https://www.belong.com.au/support>, accessed 17 March 2023.

<sup>4</sup> Available at <https://www.belong.com.au/support/mobile>, accessed 24 March 2023.



A	B	C	D	E	F
<b>Customer</b> (All █████ customers are financial hardship customers)	<b>Date of R or S notice</b>	<b>Notice (R or S)</b>	<b>Notification type and method</b>	<b>Particulars of contravention</b>	<b>Final finding</b>
				must navigate to the Belong financial hardship policy via a further 2 clicks. That is, as above, these emails do not refer to or provide immediate access to the policy.	
█████	31/01/2022	S	Payment extension confirmation email	This payment extension confirmation email, which Telstra submitted in its 14 March 2023 response gave this customer prior notice of suspension, only provides a link to the Belong website landing page <sup>6</sup> . Customers must therefore navigate to the Belong financial hardship by searching the Belong website. That is, as above, this email does not refer to or provide immediate access to the policy.	

<sup>5</sup> In its 14 March 2023 response, Telstra submitted that this and a later email sent to this customer on 16 March 2022 to confirm a second payment extension both gave this customer prior notice of suspension. Given that the content of both notices is identical, the ACMA has only assessed, and made a breach finding in relation to, the first, sent on 2 March 2023.

<sup>6</sup> That is, <https://www.belong.com.au>

TCP Code clause	Obligation			
6.7.5(a)	<p><b>Content of Disconnection notice:</b> If notifying a Customer about a Supplier's Disconnection of the Customer's Telecommunications Service, send a separate Disconnection notice, not just a Bill, to the Customer and any relevant Guarantor prior to Disconnecting the Telecommunications Service.</p> <p>The notice of Disconnection, if issued by email or letter, must inform the Customer and Guarantor of the following, in addition to the information under 6.7.3:</p> <p>a) that, after Disconnection has occurred, the Customer's Telecommunications Service plan and/or Telecommunications Product (and/or, where applicable, telephone number) may no longer be available;</p> <p>The notice of Disconnection, if issued by a method other than email or letter, must include a link to the information detailed in paragraph a).</p>			
A	B	D	E	F
<b>Customer</b> (All [REDACTED] customers are financial hardship customers)	<b>Date of notice</b>	<b>Notification type and method</b>	<b>Particulars of contravention</b>	<b>Final finding</b>
[REDACTED]	8/05/2022	Suspension advice email, advising that service has been suspended	Emails sent to advise 2 customers that their service had been suspended, which Telstra submitted in its 14 March 2023 response gave these customers notice of disconnection, include information about the impact of service suspension (to which they relate), but do not include information specific to the impact of service disconnection.	The ACMA considers that, in order to meet the requirements of clause 6.7.5(a), a disconnection notice issued by email must explicitly state, or include a direct link to information that explicitly states, that the customer's telecommunications service and/or product (and telephone number, where applicable) may no longer be available to the customer after disconnection has occurred.
[REDACTED]	1/05/2022	Suspension advice email, advising that service has been suspended	Both emails 2 links in the email footer: <i>Having trouble paying your bills? Find out how we can help</i> In its response to the Notice, Telstra confirmed that this text links to its financial hardship policy (Telstra Notice response, page 22). <i>Need more info about what happens when your service is suspended, cancelled, or disconnected? Start here.</i> directs to a page on the Belong website called 'How do I reactivate my suspended service?' (Telstra Notice response, page 15). The ACMA has reviewed this page <sup>7</sup> and notes that	A disconnection notice issued by SMS must include a link to the requisite information. Accordingly, the ACMA is of the view that Telstra contravened clause

<sup>7</sup> Available at <https://www.belong.com.au/support/mobile/manage-service/how-do-i-reactivate-my-suspended-service>, accessed 22 February 2022.

A	B	D	E	F
<b>Customer</b> (All [REDACTED] customers are financial hardship customers)	<b>Date of notice</b>	<b>Notification type and method</b>	<b>Particulars of contravention</b>	<b>Final finding</b>
			it contains information for customers about what happens when their service is suspended, how to resume their service, how to avoid getting disconnected, provides a link to the Belong financial hardship policy, and a button linking to the Belong customer portal. This page also includes a link to another page, 'What happens if I can't pay my bill?', which provides a link to the financial hardship policy and more detailed information about service suspension. There is no information for customers on these pages about what happens when their service is disconnected.	6.7.5(a) when issuing 7 disconnection notices to the 7 customers listed in column A.
[REDACTED]	9/08/2022	'Day 40 – Payment reminder' SMS	The 5 'Day 40 – payment reminder' disconnection notices issued by SMS to 5 customers do not include a link to the requisite information.	
[REDACTED]	9/08/2022	'Day 40 – Payment reminder' SMS	The 5 SMS disconnection notices include 2 links:	
[REDACTED]	9/08/2022	'Day 40 – Payment reminder' SMS	<i>Use the Belong app or <a href="https://belong.com.au/pay-to-pay">belong.com.au/pay to pay</a> – for customers to pay their outstanding bill</i>	
[REDACTED]	9/08/2022	'Day 40 – Payment reminder' SMS	<i>Having trouble making payments? Let us know and we can help. Go to <a href="https://belong.com.au/financial-hardship">belong.com.au/financial hardship</a> – this is a link to the Belong financial hardship policy to assist customers who are having trouble making payments. There is no information for customers on this page about what happens when their service is disconnected.</i>	
[REDACTED]	9/08/2022	'Day 40 – Payment reminder' SMS		