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Telstra pays \$20 million in penalties and refunds after wrongly charging customers

Telstra has paid a \$3,010,320 penalty and refunded over \$17 million to thousands of customers after charging them for inactive internet services over an 11-year period.

An Australian Communications and Media Authority (ACMA) investigation found that 7,404 customers, the majority of whom were small businesses, were wrongly billed by Telstra an average of around \$2,300 between April 2012 and August 2023.

By wrongly charging these customers Telstra has breached customer billing accuracy rules under the Telecommunications Consumer Protections (TCP) Code, as well as breaching a formal ACMA direction to comply with the Code given in 2020.

In September 2020 the [ACMA directed Telstra to comply](#) with billing accuracy rules after it overcharged more than 10,000 customers almost \$2.5 million over a 12-year period. This was followed by another investigation in 2022 that found Telstra overcharged more than 11,000 customers around \$1.7 million.

ACMA Chair Nerida O'Loughlin said the ACMA has lost patience with Telstra after this series of significant billing errors.

"Telstra has a history of incorrectly billing customers and it's just not good enough," Ms O'Loughlin said.

"At a time when many small businesses are facing economic pressures, unaccounted costs can create very real stress and financial hardship."

"All telcos must have robust billing systems in place to ensure that consumers, including small businesses, are only paying for agreed and active services."

Telstra told the ACMA the billing issues were caused by the company failing to follow a series of steps in its ADSL internet service deactivation process.

"Telstra is a major player in the Australian telco sector and it needs to continue to prioritise its billing compliance and get its systems in order," Ms O'Loughlin said.

Telstra has now implemented controls within its systems to address the risk of this issue recurring, including monthly monitoring and confirmation that an ADSL service is being actively used by customers before billing takes place. Telstra has also agreed to report to the ACMA in six months about the effectiveness of these controls.

Further contraventions of the billing accuracy rules could lead to the ACMA taking more serious action, including commencing proceedings in the Federal Court.

If customers are concerned they are being wrongly billed, they can check their bills and discuss the matter with their telco. If they continue to have an issue that can't be resolved with their telco, they can complain to the Telecommunications Industry Ombudsman.

For media queries please contact ACMA Media on 0438 375 776 or media@acma.gov.au.