

OMBUDSMAN'S OVERVIEW

PREPARING FOR THE FUTURE

In the 2011-12 financial year, the TIO received 193,702 new complaints – two per cent fewer than in the previous financial year.

There has been a significant trend, since April 2012, of reduced complaints, with the last quarter being our quietest for almost two years. This is a positive sign that reflects the focus by a number of telcos on improving their customer service.

Complaints about mobile phone services make up almost two out of every three new complaints. These complaints increased by almost 9.3 per cent during the last year.

I am concerned about substantial increases in complaints for financial overcommitment, unexpectedly high bills and disputed data and roaming charges for mobile services. These complaints demonstrate the urgent need for stronger spend management tools and better information for consumers about mobile products and costs. The new Telecommunications Consumer Protections Code, which began on 1 September 2012, should stop many of these complaints if it is fully implemented.

Disputes about unaffordable bills also demonstrate the need for flexible and responsive approaches to assist consumers. This year, we have sponsored an ongoing discussion with industry, consumer and regulatory stakeholders, with the aim of establishing a best practice framework for assisting consumers in financial hardship.

More small businesses – 27,000 of them – have contacted the TIO to make a complaint in the past year. To promote our accessibility to this important part of the Australian community and economy, we have changed how we define small business, and increased the monetary limits for complaints we can determine to \$50,000.

Conciliation, which was fully in place by September 2011, is delivering fast and fair dispute resolution. Substantially fewer cases now require extensive investigations, and service providers are increasingly engaged in solving complaints earlier. Consumer satisfaction with conciliation is very high, at more than 90 per cent.

Our 2012 annual report is titled *Preparing for the Future*, and reflects our focus on preparing for a telecommunications industry that is continually changing and converging – with new technologies, services and products. We have reviewed our vision, roles and business strategies, resulting in an expanded remit for the TIO, where our focus is not only on solving complaints, but also working to improve customer service and complaint handling in the telecommunications industry.

Our work this year has been made easier by the strong support from our Council and Board. I am also extremely proud of the work of my TIO colleagues during the past year. Our employees have been innovative, engaged and resilient in the face of substantial changes.

The brief information in this brochure is a summary of our annual report, which can be viewed in full online at www.tio.com.au/annualreport



Simon Cohen
Telecommunications Industry Ombudsman

CASE STUDY:

LAURA'S COMPLAINT

Laura contacted us after being unable to resolve a dispute over excess internet usage charges from her mobile with her provider.



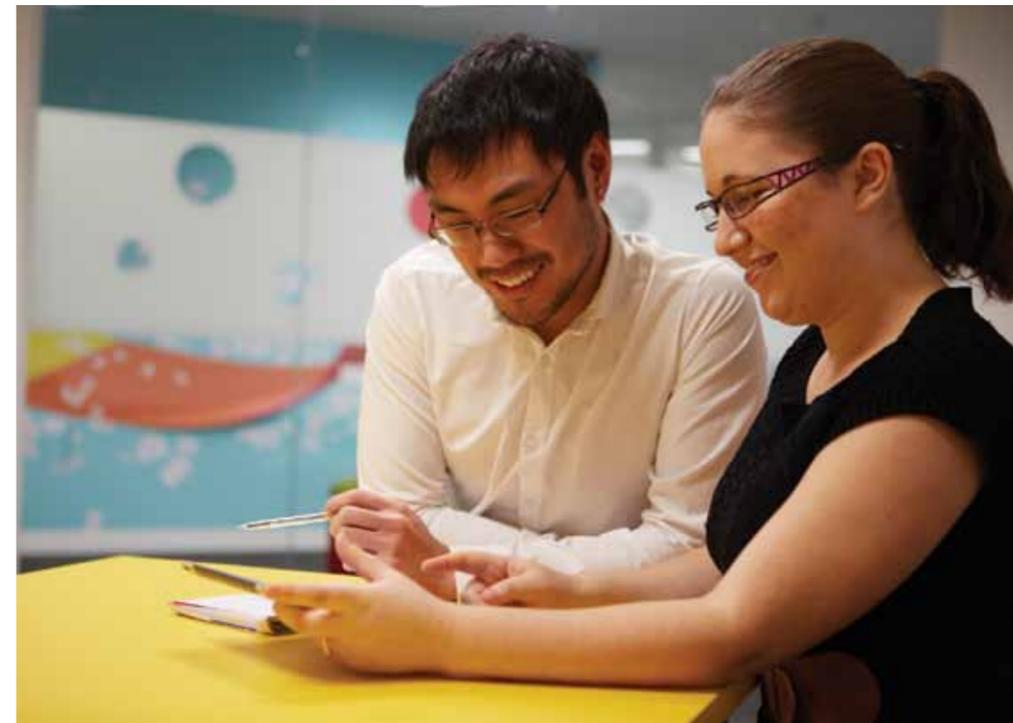
She told us that when she signed up for a smartphone plan, she asked the provider to send her an SMS when she was close to reaching her plan limit. This would be easier for her than checking an online usage meter. The provider obliged and everything went well until one month she didn't receive an SMS and, instead of her usual \$150 bill, her provider sent an invoice for \$1,600.

Laura told us that the following month she didn't receive an SMS either and her account came to \$1,100. With a debt of \$2,700, she called her provider to find out why the SMS warnings had stopped and to try and have some of the charges waived as she believed her provider hadn't done enough to alert her about the high bills.

Her provider gave her a \$600 credit but was unable to explain why the SMS alerts had stopped. Laura was not satisfied with this resolution and called us. After we referred the complaint back to her service provider, she was offered a further \$1,900 credit but the SMS alerts were not restored and she continued to receive high bills for another two months.

Laura called us back and we conciliated the complaint. During that process, the provider's complaint handling staff told us that the reason why Laura wasn't receiving an SMS was because they couldn't send an SMS for excess data, only for excess calls. They also told us they had talked to Laura about ways to check her usage after our initial referral. They offered a further credit to resolve the complaint, bringing her total account down to \$600, which she agreed to pay.

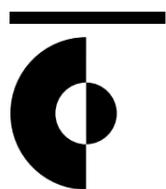
TELECOMMUNICATIONS INDUSTRY OMBUDSMAN 2012 ANNUAL REPORT SUMMARY



PREPARING FOR THE FUTURE

www.tio.com.au/annualreport

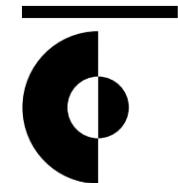
The Telecommunications Industry Ombudsman is an independent dispute resolution service that is fast, free and fair for residential and small business consumers who have been unable to resolve a telecommunications complaint with their service provider.



Telecommunications
Industry
Ombudsman

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Telecommunications
Industry
Ombudsman

The TIO in numbers

New complaints

Matters that we refer back to the service provider for a final chance at resolution without our involvement.

FINANCIAL YEAR (FY)	NEW COMPLAINTS
2008-09	175,946
2009-10	167,772
2010-11	197,682
FY 2011-12	193,702
Change (%)*	-2

*from 2010-11

Conciliations and investigations

Matters that require our involvement, including conciliations (level 2) and detailed investigations where we can make a binding decision (levels 3 and 4).

LEVEL 2	LEVEL 3	LEVEL 4
17,391	4,321	440
20,013	3,791	413
17,863	2,415	357
19,358	401	41
8.4	-83.4	-88.5

Enquiries

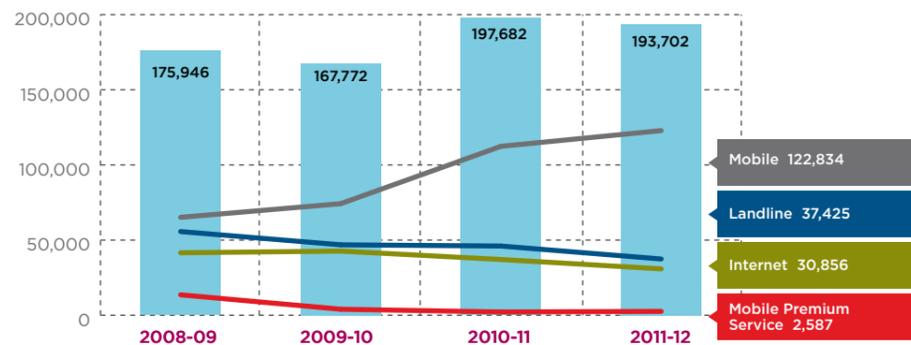
Matters that we cannot deal with directly or that are outside our function and powers.

ENQUIRIES
30,650
39,805
39,928
53,131
33.1

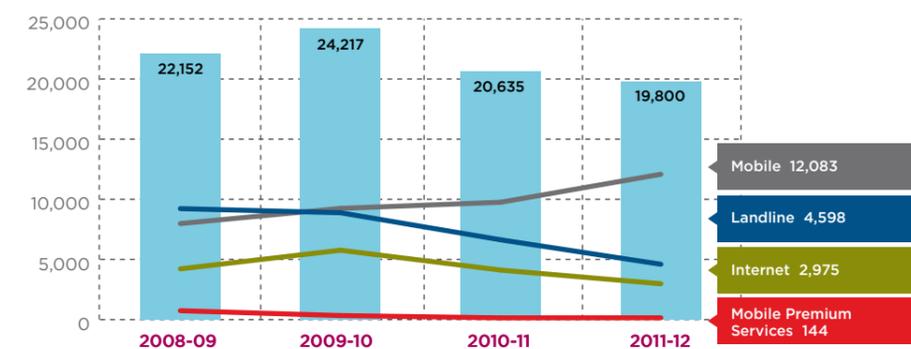
New complaints 2011-12 by quarter: total 193,702



New complaints by service type



Conciliations and investigations by service type



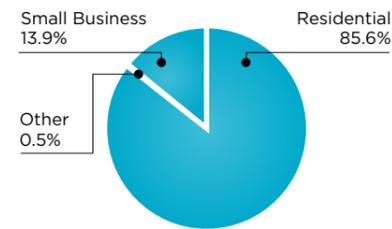
We noticed significant decreases in new complaints in the April-June 2012 period. An increased commitment to improving customer service by some telecommunications providers has contributed to this decrease.

Continuing a trend in consumer demand for mobile services, the number of mobile service related complaints to the TIO in 2011-12 increased 9.3 per cent from the previous year. Complaints about mobile services make up almost two out of every three complaints to the TIO.

Conciliations and investigations for landline and internet services decreased by 30.7 per cent and 27.6 per cent respectively from the previous year. Conciliations and investigations for mobile services increased by 23.9 per cent.

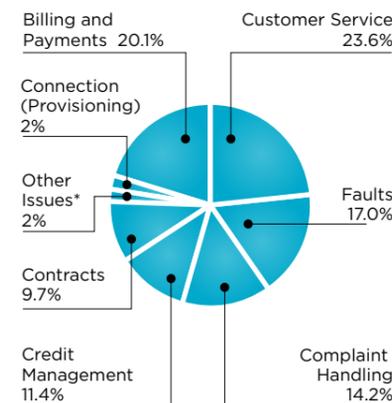
New complaints by consumer type

Most consumers who approach the TIO are residential. However, in 2011-12 the number of complaints from small businesses increased by 18 per cent compared to the previous year. In 2011-12, the TIO reviewed its definition of a small business to be able to deal with complaints from more small businesses who have an issue they are unable to resolve with their telephone or internet provider.



Top seven issues in new complaints 2011-12

Every new complaint involves at least one issue. Some new complaints can involve multiple issues - for example a complaint about a faulty mobile service may also involve a concern over the lack of response from the service provider about the fault. In such circumstances, the TIO would record one new complaint with two issues - a faults issue and a customer service issue. In 2011-12 there was a 22.4% increase in credit management issues. All other issues for new complaints decreased.



*includes Transfers, Privacy, Directories, Disability, Land Access, Phonocards and Payphones

Highlights

The TIO received 193,702 new complaints in 2011-12, a two per cent drop compared to the previous year. Almost two out of every three of these complaints were about mobile phone services.

We adopted conciliation, which has reduced the average closure times for these cases from 54 days to 21 days, and reduced the number of complaints that required formal investigations by more than 80 per cent.

Our most recent consumer survey in December 2011 revealed that the overall level of consumer satisfaction with our referral service was 94 per cent, and the overall level of consumer satisfaction with our conciliation service was 97 per cent.

We conducted 79 systemic investigations about issues such as billing, point of sale advice and transfers.

Our powers were increased so that we can now make binding determinations to providers on cases up to \$50,000 (from \$30,000), and make recommendations up to \$100,000 (from \$85,000).

We organised a forum between consumers, government and service providers to discuss financial hardship issues in the telecommunications industry to examine options to assist consumers.

We made 12 submissions to public inquiries on topics ranging from regional telecommunications consumers, new industry codes and debt collections regulations.

Two separate external reviews found the TIO's dispute resolution service of a high quality or meeting National Benchmarks, and both have made recommendations to improve our service.

We expanded our vision beyond dispute resolution to include contributing to improved customer service and complaint handling in the telecommunications industry.

We implemented a new complaints management system that allows the paperless handling of most complaints.

We increased our accessibility by launching an attractive and easy to use website with information tailored to our different stakeholders.

We engaged more with industry, by briefing service providers in five cities and introducing an account management model to provide a single point of contact for providers at the TIO.