

**COMMUNICATIONS
ALLIANCE LTD**



COMMUNICATIONS ALLIANCE SUBMISSION

to the

“RECONNECTING THE CUSTOMER”
draft public inquiry report

18 July 2011

About Communications Alliance

Communications Alliance is the primary telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, search engines, equipment vendors, IT companies, consultants and business groups.

Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see <http://www.commsalliance.com.au>.

Executive Summary

Communications Alliance commends the Australian Communications and Media Authority (ACMA) on its extensive work undertaken on the "Reconnecting the Customer" public inquiry. Communications Alliance welcomes the opportunity to comment on the ACMA's "Reconnecting the Customer" draft public inquiry report (Draft Report) released on 1 June 2011.

The Draft Report lists six areas of concern and makes recommendations on how to address concerns in those areas. Those areas can be summarised as:

1. Improved advertising practices
2. Improved product disclosure
3. Improved transparency of customer service performance
4. Expenditure management tools
5. Internal complaint handling
6. External complaint handling

This submission seeks to address the first five areas of concern and refrains from providing further comments on issues surrounding external complaint handling processes, i.e. the Telecommunications Industry Ombudsman (TIO) scheme. In this context, Communications Alliance refers to its submission to the Department of Broadband Communications and the Digital Economy (DBCDE) Discussion Paper on the TIO Scheme (April 2011).

Industry recognises the need to focus on raising customer satisfaction and improving customer service and complaint handling practices. Industry has significantly revised the Telecommunications Consumer Protections (TCP) Code to ensure co-regulation delivers the tangible consumer improvements rightly demanded and expected by consumers, regulators and the Government. Industry appreciates that the ACMA has contributed constructively to the revision of the TCP Code, both through a raft of suggested amendments to Code provisions and through engagement as part of the multipartite Steering Group that has overseen the Code revision.

Industry has considered in detail the recommendations in the Draft Report. In doing so, Industry has noted the emphasis on achieving the objectives articulated by the ACMA, along with the ACMA's invitation for Industry to consider whether these can be best achieved through the draft measures recommended by the ACMA, or through alternative measures. It is important to note that many of the concerns raised by the ACMA in its Draft Report have been addressed by the revised draft TCP Code.

Industry's proposed solutions to meet the ACMA's objectives are outlined in this submission. These proposals have been crafted with close regard to practicality of implementation across the industry, noting that the sector encompasses more than 1000 service providers of greatly differing size and system capability – all of which will be subject to compliance with the revised TCP Code.

The Industry proposals are also designed to ensure genuine consumer benefit, noting that in some areas such as provision of information to consumers, there can be a tipping point at which the level of information detail provided through some channels can in fact serve to generate confusion more so than provide clarity.

Industry believes that the proposed improvements in the revised TCP Code will deliver significant consumer benefits, e.g. through:

- improved advertising practices across the whole telecommunications industry,
- enhanced disclosure – prior to sale – of simple, plain language information to consumers and small business about telecommunications offers to enable better informed purchasing decisions,
- stronger rules on providing and communicating usage/expenditure management tools to reduce the likelihood of 'bill shock',
- strengthened provisions regarding communicating information to consumers on suppliers' financial hardship policies,
- improvements to the complaint handling processes and the introduction of specified deadlines within which service providers must respond to customers and resolve complaints, and
- tighter compliance and enforcement measures, including a requirement for all suppliers to prepare a compliance plan and submit a performance report against the TCP Code rules and requirements for large suppliers to be assessed by an independent assessor.

The revised TCP Code and the recent measures taken by industry in the very recent past, such as

- Telstra's announcement in May 2011 that it will introduce shaping on domestic mobile data usage,
- Vodafone Hutchison Australia's (VHA) welcome texts for roaming customers informing them of their roaming rates,
- Primus' iPhone/Android app for monitoring broadband usage and a 'help button' which triggers a call from the customer care centre to assist with any issues, and
- Optus' amendments to simplify post-paid mobile bill formats which resulted in a 15% reduction in bill enquiries

demonstrate that Industry can and indeed does respond proactively to provide constructive, practical solutions to meet the types of consumer issues raised by the ACMA's Draft Report.

Industry notes that the Draft Report bases its assessment and recommendations on the current TCP Code and not on the TCP Code Draft 6 that Industry supplied to the ACMA (on 31 March 2011). Consequently, this submission will indicate where Industry believes that the revised Code already fully or in part meets the ACMA recommendations.

Industry anticipates undertaking detailed discussion with the ACMA concerning its response to the RTC Draft Report, before incorporating further material into the revised draft TCP Code and releasing the draft Code for public comment. If other initiatives outside the Code are needed to meet the full range of objectives, Industry will consider these in consultation with the ACMA.

Industry reiterates its commitment to engage with the ACMA, the inquiry process and other stakeholders as part of a wider effort to improve customer service and customer satisfaction – an outcome that will benefit consumers and suppliers alike.

Raising customer satisfaction

1. Improved Advertising Practices

Context:

Industry understands that product complexity combined with the increased number of suppliers and telecommunications offers, converging technologies and markets and many other related aspects can make it difficult for consumers to understand the key elements of an offer and to make informed choices when comparing competing offers of different suppliers. Industry also acknowledges the need for simple, easy to understand information outlining the key pricing components and other commercially relevant elements of the product or service a consumer is considering to purchase.

The Draft Report notes that the absence of relevant information or the lack of awareness of the existence of relevant information - which in turn may be a result of the sheer volume of information provided and/or the way in which the information is presented and made accessible – prior to a consumer's purchasing decision are key to many of the issues that may arise later in the customer-supplier relationship. The Draft Report also correctly highlights the overload of information consumers are exposed to and the resulting challenges of making good long term choices.

The ACMA's Draft Report identifies included value plans (in particular 'cap' plans) as especially problematic with regards to enabling consumers to adequately understand the key pricing components and to compare various offers. As a remedy, it was proposed to include effective rates (included value rates), standard rates (excluded value rates) and/or the included volumes of calls, texts and data in all advertising.

Means of improved information provision:

In light of the above, Industry notes that the ACMA's suggestion to include significantly more information in the advertising of products (i.e. effective rates, standard rates, volume calculations) is not likely to contribute to an improved consumer understanding of the relevant facts of the respective offer(s) prior to purchase. In contrast, Industry contends that, while advertising must be fair and not misleading, it is not the adequate medium in which to provide detailed information on the offer under consideration. Many times, consumers would not be able to spend a sufficient amount of time to 'study' advertising material and to absorb more detailed information contained in it. Consumers more typically use advertising to obtain a broad idea of the product or service on offer and then research the details of the offer – and/or competing offers – in store, online, through discussion with friends or social media etc.

Industry, therefore, advocates a mechanism of providing key information prior to sale that does not primarily rely on advertising. Industry agrees to introduce additional obligations into the revised TCP Code mandating all suppliers to provide a Summary of Offer for all of their current telecommunications products on offer. These Summaries of Offer must contain key commercial information, i.e.:

- the key pricing for that offer (which includes, as appropriate for that telecommunications service type, the monthly access, call, text and/or data charges) in a readily identifiable manner,
- the inclusions, exclusions and any important conditions, limitations, restrictions or qualifications for that offer, where applicable,
- the "single price" (if any) as defined in the Competition and Consumer Act,
- the length of the contractual commitment for that offer (if any),

- whether any credits expire or roll-over for that offer,
- whether there are any exit or termination fees for that offer,
- whether, in relation to that offer, there are any eligibility requirements regarding bundling,
- where customers may learn about the supplier's spend management tools.

Furthermore, for mobile 'included value' plans, Industry proposes to also include key pricing information on standard national calls, texts and national data in a standardised form across industry to enable consumers to better compare offers. Industry proposes this key pricing information could be in the form of statements of costs of a 2 minute standard mobile call to another mobile in Australia (including flagfall), the cost of sending a standard national text to another mobile in Australia and the cost of using one megabyte of data in Australia.

While Industry believes that advertisements are not suitable to provide more detailed product information, it proposes to include a reference to the Summary of Offer in advertising and how it can be accessed to promote awareness of this key piece of information. This approach appears consistent with the approach taken by the finance industry and the Product Disclosure Statement (and/or the Summary thereof).

However, proposals to also include a reference to the Summary of Offer on bills do not appear appropriate: the revised Code already contains a number of additional inclusions on the bill, thereby further reducing space and ease of readability. Among the already mandated (in the revised Code) bill inclusions are:

- any charges that exceeded any spend limits or included value thresholds,
- if any spend limit or included value threshold was exceeded during the billing period, an explanation of the effect on charging or the telecommunications products provided, as a consequence,
- a description of the charges included in the bill including the total amount of the bill, any applicable discounts or credits being applied to the bill and, if relevant to a particular charge, to that charge, including any third party charges.

Given space limitations and these mandatory inclusions on bills, it does not seem useful to include an additional reference in the bill to a pre-sales information tool such as the Summary of Offer.

'Effective rates':

Industry wishes to express its concern regarding the ACMA's recommendation to state 'effective prices', i.e. information aimed at conveying the rates or volumes applicable within the allocated included value of an offer. The reason for Industry's strong concern lies in the large number of assumptions which would need to be spelled out very clearly in order to avoid providing misleading information. The qualifications required would include but are not limited to:

- all of a customer's calls, texts and data are counted towards the included value, i.e. no "5 best friends free", unlimited on-net calls and/or "unlimited Facebook" etc. options,
- the customer only makes phone calls that last one minute (as a flagfall must be applied to every minute to calculate an 'effective rate'),
- the supplier bills the customer in one minute increments (and not per second or per 30 seconds) and in one MB increments (and not per kB),
- no credit roll-over from previous months.

The inclusion of 'effective rates' along with their assumptions in either advertising and/or the Summary of Offer is most likely to further confuse consumers or to contribute to consumer frustration with information overload and, hence, would be counter-productive in achieving the desired outcomes. Industry notes that the Draft Report also advises that "it would not be useful if [the proposed changes to advertising] resulted in more complex advertisements in which multiple prices are included, each of which depend on a number of assumptions."¹

Where comparisons to the approach practiced in the United Kingdom (UK) are made (where suppliers quote a number of calls, texts or data that can be made/used within the offer's inclusions) and recommended for adoption in Australia, it should be noted that this comparison is flawed as the proposition made by UK suppliers is significantly different (and inferior) to the propositions made by Australian suppliers: suppliers in the UK usually offer several 'buckets' of minutes of calls, texts and data as opposed to one 'bucket' of included value that can be used up in whichever way the customer chooses to. Clearly, the Australian proposition is more attractive in terms of customer utility (i.e. a supermarket voucher for AUD 100 is more useful than a bread voucher for AUD 100).

In the context of 'effective rates', Industry would also like to note the increasing tendency to offer 'flat rate' services, i.e. make offers where a certain dollar amount will give the consumer an unlimited amount of calls, texts and/or data. The concept of 'effective rates' obviously does not apply in these scenarios as the rate per call, text or MB is zero. This trend highlights the ability of competitive market forces to deliver solutions that address consumer concerns and demands.

Misleading advertising:

To further strengthen advertising practices, the revised TCP Code will include, and thereby make enforceable for all suppliers, the rules on misleading advertising practices agreed to by Telstra, Optus, and VHA in the ACCC undertaking in September 2009.

The revised Code will also include a mandatory commitment by suppliers to cease using the term 'cap' to describe any new offer made (unless the offer contains a hard cap) along with a commitment to making it clear that consumers may be required to pay more than the quoted 'cap' amount when advertising or promoting any existing offers that still use the term 'cap'.

2. Improved Product Disclosure

Timing of the Summary of Offer:

As discussed above the revised TCP Code will mandate the provision of a Summary of Offer for all current products and services offered by suppliers. Industry considers that the ACMA's recommendation to improve product disclosure has already largely been met through Industry's own co-regulatory approach of Code development.

Industry understands from the ACMA's proposal that there is room for clarification around the timing of the provision of the Summary of Offer. Industry, therefore, proposes the following principles to ensure the effectiveness of the Summary of Offer:

- Customers will always (including inbound telesales) be given the opportunity to receive all information contained in the Summary of Offer prior to sale with the exception of outbound telesales and door-to-door sales (i.e. unsolicited consumer

¹ p. 84, ACMA, Reconnecting the Customer, Draft public inquiry report, June 2011

agreements) which are subject to cooling off legislation under the new Australian Consumer Law (ACL). In these scenarios, the Summary of Offer could be provided along with the required cooling-off information, and

- Customers can opt-out of receiving the information contained in the Summary of Offer after having been informed of the general contents/overview of the Summary of Offer.

Content of the Summary of Offer:

With regards to the recommended inclusion of non-product specific information in the Summary of Offer, Industry is concerned that such inclusions unnecessarily inflate the Summary of Offer and are prone to 'bury' key information required prior to the purchase decision in a mountain of other information not necessarily required prior to purchase (but indeed provided by suppliers either prior to sale in another form, e.g. Terms and Conditions, or provided at a later stage in the customer-supplier relationship, e.g. Standard Form of Agreement (SFOA) Summary). To form a meaningful addition to the information already given to consumers, the Summary of Offer must only contain information targeted and relevant to the purchase decision.

As previously mentioned, Industry would like to note that the revised TCP Code also mandates information in the Summary of Offer on where to learn about spend management tools.

Industry contends that cooling-off rights are being dealt with effectively under the ACL and, therefore, do not require further regulation in the TCP Code. The Code strives to avoid providing the same information several times as it recognises (as does the Draft Report) disclosure fatigue and information overload on the part of suppliers and consumers respectively.

Industry submits that establishing more detailed rules on the provision of information of equipment provided as part of the offer is not practicable due to the vast number of different hardware and equipment consumers can choose from when entering into a contract. To the extent that such information is relevant to consumers prior to sale, Industry feels that the requirements to reveal the inclusions, exclusions and any important conditions, limitations, restrictions or qualifications for that offer, early exit or termination fees and the 'single price' are sufficient to adequately inform consumers.

3. Improved transparency of customer service performance

Performance metrics:

Industry acknowledges the necessity of reliable performance information of the Australian telecommunications industry to assist consumers in their assessment of different suppliers. Industry notes that already today consumers have access to performance information through various channels, e.g. public TIO figures (though Industry highlights the need to re-assess the meaningfulness of the TIO metrics), social media such as facebook, twitter, whirlpool etc., and, importantly, word of mouth – which in today's online world can be and indeed is published rapidly and very effectively as most recent experiences in the mobile operator space demonstrate.

It is critical that any metrics ought to be meaningful, their costs must not be outweighed by their benefits, they must not dis-incentivise suppliers to record or report those metrics and they ought to allow for an assessment of relative performance, i.e. a like-for-like comparison of one supplier's performance against another supplier's performance.

Industry is concerned that the metrics suggested in the ACMA Draft Report do not convey a meaningful and relative indication of performance. Industry contends that it is incorrect to assume that the number of repeat contacts within a certain time period (e.g. 45 days) can serve as an indicator of untimely or poor issue resolution. On the contrary, customers with a positive contact experience are very likely to readily re-contact their supplier on another or related issue as they feel that they have been served well in the first instance, and some suppliers actively support constant interaction with their customers to assist in making the most effective use of the service and features of supplied devices.

Notwithstanding the above, Industry also understands the desire for more periodical and potentially quantitative and/or qualitative metrics. Industry, therefore, suggests within six months of the registration of the revised Code the development of a meaningful set of metrics through the (to be established) Communications Compliance (CC), an independent body with equal consumer and industry representation which will monitor and report on Code compliance. Under the revised Code, suppliers would then be required to report against those metrics.

In a first round of discussion leading up to a more formal metrics development process, Industry has been considering several alternative and complementary ways of measuring supplier performance. These discussions include but are not limited to considerations regarding:

- which additional stakeholders, such as the ACMA, ought to be involved in this development process to ensure the new set of metrics aligns with the ACMA's desired outcomes,
- the potential publication of those metrics as well as the level of detail of their description in the revised TCP Code itself,
- the ability of internal complaint figures to provide a meaningful indicator of customer service or satisfaction. It is well conceivable that a customer, although initially unhappy with his supplier's performance, may feel that he has been served well once his complaint has been heard and dealt with swiftly, leaving the customer happier than he actually was prior to experiencing any issue. In contrast, complaints or issues that are raised with the TIO clearly have not been dealt with to the customer's satisfaction (unless the supplier was not given the opportunity to deal with the matter) and may provide a more useful alternative of measuring customer service or satisfaction;
- the comparability of metrics across industry, i.e. advantages and disadvantages of measuring complaints and/or other metrics per 10,000 services in operation,
- the viability of an Industry commissioned independent, periodical customer satisfaction survey.

Industry will continue to advance these discussions and looks forward to engaging with the ACMA and relevant stakeholders.

Customer Service Charters:

The ACMA's Draft Report recommends the adoption of Customer Service Charters in a standardised and prescriptive form. The ACMA also proposes the inclusion of sanctions for non-performance and regular reporting against the extent to which Charter promises have been met.

While Industry is not opposed to Customer Service Charters in principle, it contends that they ought to remain a means of competitive differentiation and ought not to be mandated in either their existence or their specific form. Industry, however, will consider including a recommendation in the revised TCP Code to develop and make easily accessible Customer Service Charters.

In this context, Industry also notes Communications Alliance's commitment (as per the revised TCP Code) in consultation with consumer representatives to prepare a plain language brochure for consumers, explaining the key consumer safeguards provided by the revised Code. Suppliers will contribute to the development of that brochure and make it available to consumers through appropriate channels accessible by consumers.

4. Expenditure Management Tools

Context:

The Draft Report highlights the need to address the issue of 'bill shock', and Industry agrees that instances of unexpected high bills ought to be reduced and minimised. This is evident from a consumer perspective but equally important for a supplier who is keen to increase customer satisfaction and retention and to minimise bad debt and any overhead associated with complaint handling and the like.

Already today, Industry offers a multitude of tools for consumers to monitor and manage their telecommunications usage/expenditure. Industry concedes that those tools could be promoted and used more effectively to improve consumer knowledge of charges throughout a billing cycle and to enhance active control of costs/usage by consumers. Industry is committed to improving customer experiences in those areas as demonstrated by the recent initiatives by major players as well as the new provisions of the revised TCP Code.

The ACMA Draft Report identifies 'included value' offers which are not subject to a hard cap or flat rate usage as being most susceptible to creating 'bill shock' and proposes the introduction of customer-nominated limits and notifications when those limits are approached and once they have been reached.

It is not clear from the ACMA's Draft Report whether it wishes to make a clear distinction between expenditure based tools and usage based tools. However, as explained further below, the distinction between the two is critical.

Expenditure versus usage:

The Draft Report suggests providing tools that "allow customers to monitor the accumulation of charges during a billing period."² It goes on to make proposals around notifications and hard caps at specific "expenditure/usage points".³ Industry is concerned by this seemingly interchangeable use of the two terms as it suggests that they are equivalent which is not the case.

Importantly, expenditure based tools require suppliers to know at any point in time how much each customer owes the supplier. This means that suppliers must immediately apply all charges, including all discounts, associated with a customer action (e.g. a call, text, etc.), to rate the charge and to accumulate all charges incurred up to that point in time. (This scenario does not even consider bundled products or family plans.) The availability of real-time billing and rating information is, hence, a prerequisite to the capability of providing expenditure based tools.

Following extensive Industry consideration and a poll of all TIO members (being asked to answer several questions relating to usage/expenditure management tools and billing information) it is clear that, to the best of Industry's knowledge, no supplier in Australia would

² p. 98, ACMA, Reconnecting the Customer, Draft public inquiry report, June 2011

³ *ibid*

be able to provide such real-time information for all major components, e.g. calls (even if 'only' national), texts and data, of post-paid 'included value' or 'cap' plans. Nor are suppliers able to easily or quickly adjust their IT systems to do so. The time frames to do so would be far above the 12 months period that the ACMA alludes to when referring to transitional arrangements. Industry also notes that the required investments would be likely to be very substantial – costs which would, ultimately, be borne by consumers.

Industry submits that usage based tools are a more suitable and realistic alternative. To date almost all 'included value' and 'cap' plans (unless they are based on flat rates, i.e. unrestricted usage, in which case usage/expenditure tools are not or much less required) give consumers a certain 'bucket' of value which can be used on calls, texts, and many other services/features. Typically, this 'bucket' also specifies an allowance of data usage (e.g. 1.5 MB) that is covered by the included value. As previously explained (Section 2, 'Effective rates') this usage allowance makes a fundamental difference to the supplier's ability to determine whether a threshold has been reached.

Industry, therefore, suggests providing supplier-nominated notifications for national data usage for mobile and internet data usage on plans which are not shaped or offer a real hard cap.⁴ Notifications would be based on data no older than 48 hours – the minimum time period Industry as a whole can commit to at the moment. To provide adequate warning Industry suggests providing customers with two notifications prior to reaching the allowance threshold. Suppliers could provide early notifications, e.g. at 50%, if they provide data with a 48 hour delay and later notifications where usage information is more up to date.

Industry contends (and the TIO confirmed this) that national data usage is a key driver of 'bill shock'. The provision of early notifications for customers approaching their data usage allowance is, hence, likely to significantly reduce the incidences of 'bill shock'. Accordingly, customer-nominated notification points do not appear to lead to major advantages over supplier-nominated notification points. The latter, however, allows suppliers to develop standardised notifications across their customer base instead of being required to potentially implement a sliding scale of up to 100 (1% - 100%) different notification points as determined by customers' preferences.

Overseas measures to address 'bill shock':

Industry's above proposal of providing usage based tools for domestic data appears to fall within the range of measures that have been discussed and/or adopted overseas.

The rules proposed by the United States (US) Federal Communications Commission (FCC) are not specific on whether they require usage or expenditure based tools to be made available. In any case, Industry desk research shows that most US offers (as most UK offers, see Section 2, 'Effective rates') comprise 'buckets' of call minutes, texts and data, thereby again allowing for easier usage calculation than is the case with the Australian included value propositions.

Industry would also like to note that the European Union (EU) regulation on expenditure management holds for data roaming only, i.e. it appears that regulators in the EU considered data, especially in conjunction with roaming (naturally a much more frequent occurrence for EU citizens than for Australians), to be the key driver of 'bill shock'.

⁴ Where suppliers would be able to provide customer-nominated notifications and/or expenditure based tools (instead of supplier-nominated notifications and usage based tools) they should of course be allowed and encouraged to do so.

Pre-paid alternatives:

Consumers wishing to limit their expenditure have the option of choosing a pre-paid offer – and they increasingly do so. Pre-paid offers can no longer be associated with higher rates as some of the lowest rates in the market are offered on pre-paid services.

It is important to note that pre-paid billing systems are purpose-built to immediately rate calls, texts and data (and other features used if available) but do not offer the sophistication and variety of features and choices, e.g. bundling and handset purchase over the contract duration, that post-paid systems allow. It is, therefore, incorrect to assume that capabilities available for pre-paid could be easily translated into a post-paid world.

It equally important to note that consumers make deliberate choices for post-paid services as they are attracted to the features those offer, including an unrestricted usage and inclusion of handset subsidies. Industry contends that for many consumers requesting their express consent (potentially each time a threshold has been reached) to be able to continue using their mobile service beyond a certain threshold is not desirable or even acceptable.

Transitional measures:

Transitional measures that would preclude suppliers from collecting outstanding amounts above a specified threshold as advanced in the Draft Report seem arbitrary, inequitable and disproportionate. Usage patterns vary significantly from month to month without being related to incidences of 'bill shock', unexpected charges or even customer dissatisfaction. Transitional measures of the kind proposed by the Draft Report also create incentives on the part of consumers to artificially keep expenditure low in the first (few) month(s) in order to be able to avoid payments in subsequent months when expenditure reaches normal or even deliberately inflated levels.

5. Internal Complaint Handling

Industry is supportive of the outcomes envisaged by the ACMA and agree, in principle, with many of the suggestions advanced by the ACMA. The revised TCP Code already incorporates many of those suggestions and Industry is happy to consider whether further improvements can be made to the Complaint Handling Chapter of the Code. In this submission Industry would like to offer their comments on some of the more critical suggestions put forward by the Draft Report.

Complaint definition:

The Draft Report recommends the adoption of the definition of a complaint as per the Australian Standard AS ISO 10002-2006. Industry does not disagree with this definition but submits that further clarification would be advantageous to ensure only complaints enter the complaint handling process thereby allowing suppliers to speedily resolve those complaints through improved complaint handling processes. Fault reports or service and information requests can, but do not necessarily always, constitute a complaint and any means that allow an early and correct separation of the two will lead to enhanced complaint (and fault) resolution and customer satisfaction. Industry notes that the ACMA's Draft Report suggests not recording complaints (as defined by the Australian Standard) as complaints if the complaint has been resolved within two days. While this suggestion appears impracticable (it requires an ex-post extraction of issues initially lodged as a

complaints from the systems), it suggests that the Draft Report recognises the need not to artificially inflate complaint figures. Industry submits that a large number of complaints that are resolved within two days would fall under fault or service difficulties and/or service and information requests from an Industry perspective.

Improvements to the complaint handling process:

Industry notes that the revised TCP Code sets out significantly improved complaint handling processes and requirements. Those include:

- tightened timeframes for complaint resolution and completion of undertakings made to customers,
- improved documentation requirements,
- unique reference numbers or other unique means of identification of complaints,
- more explicit promotion of the TIO.

Industry agrees to further advance complaint handling processes by acknowledging complaints within two working days (where no acknowledgement via mail is required). Industry also proposes advising consumers in plain language of the outcome of their complaint and providing a written confirmation should a consumer request this. Industry notes that providing a confirmation in writing for all complaints is impracticable and not desired by many consumers.

With regards to the Draft Report's suggestion to include contact details of the TIO in confirmations of complaint finalisation, Industry notes that such a proposal appears to presume the necessity of further TIO involvement which is, in the vast majority of all complaints, simply not required. As per the revised TCP Code, consumers will be made aware of their external dispute resolution options, including the TIO, at various stages in the complaint handling process (whenever there is a risk that consumers are still dissatisfied and suppliers have been given the opportunity to deal with the matter).



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