



Submission on the Review of the IMR Standard
11 September 2018

Introduction

The Australian Mobile Telecommunications Association (AMTA) and Communications Alliance (CA) (the Associations) welcome the invitation to provide comments to the Australian Communications and Media Authority (ACMA) about the efficiency and effectiveness of the *Telecommunications (International Mobile Roaming) Industry Standard 2013* (the Standard).

Changes to IMR Services

The Associations believe this review of the Standard provides a welcome opportunity to test whether the Standard is still fit for purpose and delivering the desired outcomes required for consumer protection and awareness in relation to International Mobile Roaming (IMR) services.

Since the Standard first took effect in 2013, and even since it was later amended in 2016, there have been significant pro-consumer developments in relation to IMR services and pricing and this has been matched by improvements in the way information is provided to consumers about IMR.

In the past customers were charged roaming rates that varied per country visited and there were often multiple rates within a country where there were different providers to choose from. Now all major Australian mobile service providers offer simplified IMR services and plans that are designed to reduce or cap the costs for roaming for Australian customers travelling overseas.

Today's offerings generally offer either a flat rate per day for roaming or plans that offer one or two rates that cover all countries. Customers receive information about IMR at the point of sale, but they also have access to online information and information is also provided directly to individual customers in a customer-friendly format when appropriate and relevant from their service provider. This provides greater certainty for customers in terms of what they can expect on their bill as well as a vastly simplified and improved user experience.

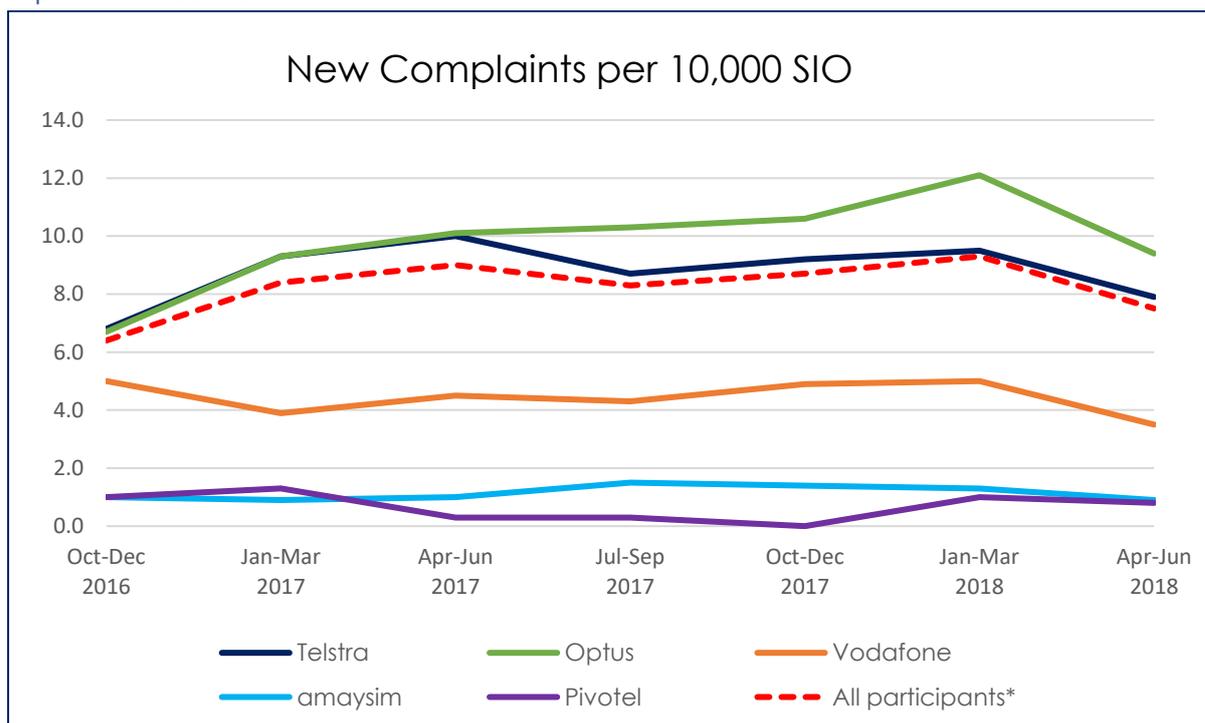
Trends in customer usage, behaviour and current complaint levels

Customer behaviour and usage patterns have also changed substantially since 2013/16. Customers now use significantly more data services, while voice and SMS usage has remained fairly stable. Customer awareness around monitoring data usage and the available tools for doing so, as well as utilising alternatives such as public wi-fi or local SIM cards when travelling has also increased since the Standard was implemented.

The TIO and Communications Alliance joint Complaints in Context (see graphs below) most recent report found that a slight increase in overall complaints to the TIO was attributed to complaints about NBN services.¹ Notably, complaint levels to MVNOs overall are extremely low. The report found that complaints about Pivotal went from 0 to 1 per 10 000 services in operation. While complaints about amaysim declined from 1.4 to 1.3 per 10 000 services in operation. These numbers relate to all complaints, while The Associations' understanding is that TIO complaints in relation to IMR have remained fairly static since the Standard was put in place in 2013 with complaints related to IMR totalling less than 1% of all complaints handled by the TIO.

¹ Communications Alliance, Complaints in Context Report, June 2018 http://commsalliance.com.au/data/assets/pdf_file/0003/60888/Complaints-in-Context-April-June-2018.pdf

Complaints in Context:



Provider	New Complaints per 10,000 services in operation						
	Oct-Dec 16	Jan-Mar 17	Apr-Jun 17	Jul-Sep 17	Oct-Dec 17	Jan-Mar 18	Apr-Jun 18
Telstra	6.8	9.3	10.0	8.7	9.2	9.5	7.9
Optus	6.7	9.3	10.1	10.3	10.6	12.1	9.4
Vodafone	5.0	3.9	4.5	4.3	4.9	5.0	3.5
amaysim	1.0	0.9	1.0	1.5	1.4	1.3	0.9
Pivotel	1.0	1.3	0.3	0.8	0	1.0	0.8
All participants*	6.4	8.4	9.0	8.3	8.7	9.3	7.5

* Calculated by dividing participants' total TIO new complaints by participants' total SIO

Services provided: Telstra – mobile, internet, landline (PSTN), Optus – mobile, internet, landline (PSTN), Vodafone – mobile, internet, amaysim – mobile, internet, Pivotel – mobile

Further, the experience of service providers is that customer complaints and queries in relation to IMR remain steady and do not comprise a disproportionate or significant percentage of overall complaints/queries received by them.

In the context of an environment that is still experiencing growth in customer numbers, we believe that this constitutes a lack of evidence that there remains a need for the Standard, and certainly, that there is no evidence that points to any need for new obligations on service providers in relation to IMR.

We believe that customers have greater access to information about how IMR works and its associated costs as well as alternatives available.² Customers today are more likely to use public Wi-Fi, purchase travel SIMs or a local SIM on arrival. They are also able to review and compare service provider IMR offerings as well as take steps to monitor and minimise usage while overseas.³

Ensuring the Standard remains fit for purpose and effective

The changes to IMR services and how they are offered, as well as the changes in consumer behaviour and low complaint levels, could suggest that the Standard is no longer necessary. However, if the ACMA finds evidence that consumers still require the protection of the Standard, we believe that the Standard could be improved to ensure that it is still fit for purpose and achieving the best outcomes for consumers.

The Associations have outlined below several suggestions for ways the instrument can be improved in order to make it more effective, efficient and flexible.

Consumer notifications

The Associations would like to see the Standard made less prescriptive, particularly in terms of the text of the alert messages. The prescriptiveness of the existing requirements has impacted the ability of service providers to innovate, to the detriment of end-users. It also fails to take into consideration the actual charging arrangements that apply to IMR.

We believe that service providers should be given the flexibility to tailor alert and warning messages to the particular plans and IMR packages they offer to customers. Being less prescriptive in the wording of warning/alert messages in Section 5 of the Standard would allow service providers to tailor the messages to the customer's specific plan and roaming package ensuring that the messages sent to customers are more informative and therefore more effective.

We suggest that the underlying principle reflected in the Standard's requirements should be that customers should only receive a notification about pricing if the price would be different to using the service at home.

This would alleviate customer confusion that can occur when a customer receives pricing information (in compliance with the Standard) that does not correlate to either the standard IMR inclusion in their plan, or where applicable, the IMR travel pack they signed up for. Greater flexibility in these requirements would also enable service providers to use language that the customer is more familiar with and consistent with other customer information provided to them by their service provider. It would also allow for service providers to send alerts in different languages if they wish to do so.

² <https://eftm.com/2014/09/are-you-an-aussie-going-overseas-our-guide-to-global-roaming-and-avoiding-bill-shock-16627>; <https://whatphone.com.au/guide/international-mobile-roaming-taking-your-australian-mobile-overseas/>

³ <https://www.whistleout.com.au/MobilePhones/News/the-cost-of-international-roaming> ; <https://www.finder.com.au/global-roaming>

Alerts based on country of arrival

The requirement to send alerts based on country does not reflect IMR charging arrangements. We suggest that the underlying principle reflected in the Standard's requirements should be that service providers need to notify customers when there is an actual change of rate that will be applied to their service. If a change of country is not going to result in a rate change, there should be no need to notify the customer.

More specifically, customers may roam across multiple country borders, or even roam on a network in one country while physically being in another country (e.g. in a European border area) without it affecting the charging rate applicable. In these cases, service providers should not be required to send messages based on the country in which the customer has activated an SMS enabled device where the costs are based on a particular group of countries that form a region and where moving between different countries in that region has no effect on the charges that apply.

Similarly, country-based alerts are not useful for consumers in situations where costs may vary within a country. For example, Hong Kong and Macau are part of China, but may be charged at different rates.

Alert requirements need to be based on the situation in which the charging rate is different to the 'home rate', rather than the country of travel. For example, where a customer has purchased an IMR pack that applies a single rate to all European countries, the customer ought to receive a single alert advising of the applicable charge rate upon arrival at a European destination. There is no need for any further message when crossing country borders within the included European zone. This will be less confusing for the customer as multiple messages tend to imply to the customer that a change has occurred when this is often not the case. Another particular problem that can be caused by country-based roaming notification obligations is that country-based alerts can cause confusion when the service being provided at the customer's location is from a network based in another country to the one in which the customer is located. Service providers should have greater flexibility in their arrangements to manage these scenarios and avoid consumer confusion.

Finally, it has previously been agreed by the ACMA that some service providers that provide solely roaming services e.g. satellite service providers, are not intended to be captured by the requirements imposed by the Standard. We believe such an exemption could be written generally into the Standard for these service providers so that they do not need to apply for an exemption on a case by case basis.

Spend Management Tools

The Associations submit that the requirements of Section 9 of the Standard in relation to spend management tools are too prescriptive. Since the Standard was first put in place, improved spend management tools have been developed and customers prefer to use the tools that they are more familiar with. Also, with some plans now allowing sharing, spend management tools have been adapted with this in mind.

We have received feedback from some of our members that their development of new roaming products has been adversely impacted by the need to build new products in a way in which the prescriptive requirements in the Standard can be complied with. Such prescription in the rules is unnecessary, and the focus should be on the desired consumer protection outcome instead of how providers must achieve this outcome. As a result, we believe Section 9 requires updating to provide greater flexibility and to foster further innovation for customers.

Delivery of information provided to customers

Message delivery solutions need to be flexible and again, less prescriptive in how messages are delivered (e.g. by SMS, email, pop-up notifications or other means). This would provide greater choice for customers as well as flexibility and efficiency for service providers, such as using service provider's apps that enable an opportunity for more detailed information and a greater level of usable detail to be supplied to the customer.

Further, we suggest that service providers should be allowed to make the messaging to customers more flexible and tailored to the specific product or service. There should be no obligation to send an alert message in cases where the customer would not be at risk of incurring more charges than they would if using their service at home.

Finally, we suggest that the rule in Section 5.1 should be made more flexible. Currently this Section requires a CSP to '*give*' the customer, within 10 minutes of landing, a warning notification. We suggest that the obligation should be to '*send*' the notification, rather than use the word '*give*' which implies that the customer has actually received the information, noting that a CSP cannot control whether the customer receives the notification within a certain timeframe. Realistically the CSP can only guarantee that the notification has been sent within a specified timeframe; not that the customer receives it.

Obligations for Mobile Resellers (MVNOs)

We note that the requirements on MVNOs to provide charging and spend management information to customers are due to take effect from 1 January 2019. However, since 2013, the existing obligations on MVNOs have proved to be effective and there is no evidence that MVNO customers are suffering any detriment compared to customers of other service providers. In fact, the extremely low number of complaints from customers of MVNOs, such as Pivotal and amaysim, seem to suggest the exact opposite.

The Associations therefore submit that the obligations to provide charging and spend management information from 1 January 2019 should be removed from the Standard. There is no need to impose new regulatory obligations when there is no evidence of a problem.

Further, we note that the ability of the MNVOs to meet the obligations around charging and spend management information is limited, not by their own readiness or willingness, but by the need for them to source the information from the network operators. MVNOs do not have direct access to the source information and charging rates change regularly, therefore it will prove difficult for many MVNOs to comply with the proposed requirements.

Conclusion

The Associations support the review of the Standard and believe it is important to test whether the Standard is still fit for purpose and delivering the requisite consumer protections and awareness.

We believe that developments in the market and evolving consumer behaviour potentially means that the Standard is no longer needed. If, however, the ACMA finds that there is evidence that the Standard is required to protect consumers, we have suggested several improvements that should be

made to ensure the instrument remains effective, efficient, flexible and enables continued innovation.

Finally, without evidence that MVNO customers are experiencing any detriment under the status quo, we believe that the obligations that are due to take effect from 1 Jan 2019 are not necessary and should be removed from the Standard.