

Consumer Safeguards Review
Department of Communications and the Arts

3rd August 2018

As a telecommunication provider who takes pride in both the service we provide and the customer experience that we offer, coupled with the underlying premise of treating customers fairly and with respect, our view on complaints handling varies from other companies in the industry.

The (almost) sole reason for complaints against EscapeNet is the underlying wholesale service provider. The recent changes to TIO's powers will assist in eliminating delays in resolution. The two most critical aspects however, are assigning the financial responsibility to the wholesaler attributed to the underlying issue (this will be the deterrent necessary in order for processes/systems to get fixed), and to ensure that dubious or frivolous complaints are not registered. There is a clear understanding from many consumers that they can engage with the TIO to get out of contract and other such biased outcomes that would not result if the matter were taken up in a court.

I would also like to note that the basis for the review is made on at least one flawed premise; the complaint comparison statistics.

Clearly these statistics presented are flawed. The review fails to address comparisons between the environments of NZ and Canada to Australia across a range of industries to obtain a fair comparison. The review also fails to comment on the social/cultural factors that contribute to Australians complaining more than New Zealanders and Canadians? The review fails to address whether consumers have to provide a higher degree of information / evidence with their complaint, therefore helping to eliminating frivolous complaints?

Looking at statistics in other industries one will see that in both Canada and New Zealand consumers do not complain as much as they do in Australia. In the Banking Industry for example, the FOS received 39,479 disputes¹ During the same time in New Zealand the Banking Ombudsman dealt with 3499 cases². In Canada during the 2017 calendar year they only had 5477 cases³ and during the 2016 calendar year they had 5055 banking cases⁴. These facts as well as the fact that no comparison has been made as to the process and requirements to make a complain between these nations certainly cements the flawed review premise.

Furthermore, you have failed to inform respondents that complaints have been driven upwards by virtue of the mass migration of customers to nbn - something the Government is ultimately responsible for.

¹<https://www.fos.org.au/publications/annual-review/>

²https://bankomb.org.nz/assets/Annual-reports/8f0dac2dae/ar_2016-17.pdf page 9

³https://icrt-obsi.esolutionsgroup.ca/230002_iCreate_News//Management/Attachment/Download/9c1cd44b-6035-40a1-9cac-9835fd811ac5 page 17

⁴https://icrt-obsi.esolutionsgroup.ca/230002_iCreate_News//Management/Attachment/Download/fa524a20-7230-49d3-9c81-f7c56b7617e0 page 17

Attention should be given to ensure that any regulation that exists between RSP and consumers is backed with consistent regulation between wholesalers and RSP's.

Finally, I do not believe that there is a systemic problem with the Telecommunications industry overall!

Proposal 1

Q1. TIO/ACMA/Government should opt for the promotion of options and encouragement of churn, rather focussing on the encouragement of complaints. Simplify the ability to have consumers move providers and promote this as opposed to having issues being addressed in the negative environment of complaint handling.

There is already significant incentive for providers to resolve issues due to the expenses incurred for complaints lodged with TIO. The underlying issues are not always resolved as wholesalers like nbn bare no responsibility.

Q2. Wholesalers and contractors driven by ticking a box rather than obtaining a resolution. There is no incentive for wholesalers to react to a complaint in the same way that we do. Wholesalers should become responsible for any dispute resolution fees (to the extent of which they contributed).

Q3. Teleconference via designated representatives. More talking less writing!

Q4. Your underlying premise here is wrong! Socially responsible, customer focussed providers, like EscapeNet, already do make every effort to resolve complaints. Complaint escalation is always avoided as the TIO penalty fees are astronomically high and are typically impossible to recover from the profit from a complainant over the course of the service.

Q5. This is already in the legislation - that they have a copy of the process and the information is readily available on RSP's websites and CIS.

Q6. After making a formal complaint with a RSP the consumer should be briefly informed of the process that will ensue. There is already documentation on reputable RSPs websites about the complaint handling procedures⁵.

Q7. This is a matter for the Telco and nothing further is needed. If a consumer is unhappy with the process they can raise the issue with the TIO. The TIO can address the matter via a complaint with the telco and if systemic also inform the ACMA for review.

Proposal 2

Q1. I do not feel that you are going to receive valid feedback based on the lack of definition on what constitutes a complex complaint. We strongly oppose a new EDR

⁵ <https://www.esc.net.au/terms/Complaint%20Handling%20Process.pdf>

scheme. I believe that with recent amendments to the TIOs powers that they should have sufficient impact to improve complaints.

The TIO is already recognised as an EDR⁶.

Furthermore, you have not addressed the social aspects of why Australian consumers choose or feel the need to complain to the TIO, even though the RSP has provided them with a numbers of resolutions and they do not change even after the TIO is contacted.

Q2. Definitely not! Be positive, encourage churn not complaints. Where there is so much competition in our industry, it makes no sense in encouraging consumers to stay with their current provider if they are unhappy. Consumers should be simply encouraged to vote with their money!

Whilst consumer safeguards are great - we don't need to be a nanny state and we need to have responsible actions from companies as well as consumers.

Q3. Please understand that it already is! This comment demonstrates the lack of understanding of the industry. As a small RSP our aim is to have zero TIO complaints. Our staff are very proactive in dispute resolution, so that we do not have consumers going to the TIO.

Q4. Consumers should have enough evidence to ensure that the complaint is not frivolous or an obvious abuse of power (ie causing RSP to settle due to the financial outcome of it being cheaper than paying TIO fees). They should have a case which follows legal principles.

Q5. Review it, taking into account the circumstances and providing opportunity for the Telco to address any issue, then if deemed necessary raise to ACMA for enforcement.

Q6. Not sure.

Proposal 3

Q1. Monthly – if via an automated process, otherwise quarterly.

Q2. It may be quite possible that data collection and retention may place extra pressure on small business.

Q3. As a small operator in a highly competitive market, we are adversely affected by the actions of larger players - ie misleading advertising, false claims etc. A positive change would be the Rapid enforcement of laws & codes to ensure that no undue pressure is put on the legitimate operators.

⁶ <https://www.oaic.gov.au/privacy-law/privacy-registers/recognised-edr-schemes>

Government is focussed on the negative aspects of this industry, however we have a highly competitive market with many players who would gladly assist new customers. More focus should be given to promoting these options to disgruntled consumers.

Focus should be directed to simplifying all churn process; For example porting a “complex” telephone service regularly takes in excess of 8 weeks. This is absurd in today's environment.

I question ACMA needing to process the complaint statistics; the TIO has the information already, they just need clarity around reporting rules (ie to stop double counting of complaints). This appears to be the most efficient manner to collect these statistics. With the above reporting rules adopted, we have faith in the TIO providing accurate results.

The review should address the issue of the consumer having no financial loss to register a complaint. The complaints process should not be used as a bargaining chip (Multiple times over the years we've been told by the TIO 'providers can choose to make a financial decision [with respect to the outcome of a case]' rather than the merits of the case.

Consumers should be charged a small nominal fee to access complaint resolution. This is solely to reduce complaints which are not legitimate, fully refundable should their contribution (cause) to the fault be less than 50%.

“Service outages, delays in connections and repairs, incorrect billing and a lack of responsiveness to these issues by telecommunications providers has resulted”

This statement is made on a false premise – RSPs aren't necessarily the problem, wholesalers typically are! Complaints relating to issues that my company has caused are almost non-existent.

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