

OMBUDSMAN'S OVERVIEW

A year of change

I am pleased to present this report on the activities of my office during a year of tremendous change.

In 2010-11, the TIO received 197,682 new complaints. This was an increase of more than 17 per cent on the previous year, and our busiest year on record. Mobile phone complaints were responsible for this increase – up more than 50 per cent to more than 112,000 new complaints.

While the well publicised network and customer service issues affecting Vodafone in early 2011 were the cause of much of this increase, this company was not alone in receiving more complaints. Credit management issues generally, including complaints about unexpectedly high bills, continued to increase.

There were better signs towards the end of the financial year, with new complaints decreasing somewhat in the fourth quarter. Pleasingly, the TIO had to investigate fewer complaints, reflecting that service providers are responsive when the TIO is involved.

The increase in complaints this year comes in the middle of a debate about the right changes for customer service and complaint handling in the industry. We have been an active voice in this debate.

We made more than 20 submissions to government and industry inquiries to provide an independent and expert perspective.

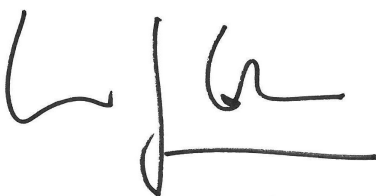
We also raised with service providers more than 50 systemic problems – ranging from sales and transfer practices to billing and credit management issues – to improve services for large numbers of consumers.

With all these changes, TIO officers demonstrated an outstanding capacity to respond to the challenges of the past year. Consumers continue to report high satisfaction with the service we provide – more than 93 per cent of consumers we asked in a February 2011 survey stated that they were satisfied with how we handled their complaint.

In the coming year, we aim to make more changes to keep improving the way we service the community. A new website and a conciliation process for unresolved complaints are just some of the improvements we will deliver.

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.

Thank you.



Simon Cohen
Ombudsman



The Telecommunications Industry Ombudsman is a fast, free and fair dispute resolution service for small business and residential consumers who have a complaint about their telephone or internet service in Australia.



Telecommunications
Industry
Ombudsman

Telecommunications Industry Ombudsman Limited
ACN 057 634 787

Telephone	03 8600 8700
Facsimile	03 8600 8797
Freecall™	1800 062 058
Freefax™	1800 630 614
Translator & Interpreter Service	131 450

Website

www.tio.com.au

Postal Address

PO Box 276 COLLINS STREET WEST Victoria 8007 Australia

Street Address

Level 3, 595 Collins Street, Melbourne Victoria 3000 Australia

If you are deaf, or have a hearing impairment or speech impairment, contact us through the National Relay Service:

- TTY users phone 1800 555 677 then ask for 1800 062 058
- Speak and Listen users phone 1800 555 727 then ask for 1800 062 058
- Internet relay users connect to the NRS (www.relay-service.com.au) and then ask for 1800 062 058

We provide information in 31 languages and translators are available: call 131 450

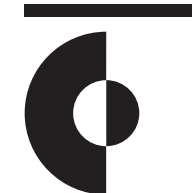


Telecommunications Industry Ombudsman 2011 ANNUAL REPORT SUMMARY



www.tio.com.au/annualreport

This is an abridged version of the Telecommunications Industry Ombudsman's 2011 *Annual Report*. The full 2011 *Annual Report* can be accessed online at www.tio.com.au/annualreport. If you have any specific questions about the report or would like to be placed on our mailing list for regular updates, please call (03) 8600 8701 or email communications@tio.com.au.



Telecommunications
Industry
Ombudsman

The TIO in numbers

New complaints

FINANCIAL YEAR (FY)	NEW COMPLAINTS
2007-08	119,249
2008-09	175,946
2009-10	167,772
2010-11	197,682
Change (%)*	17.8

Most new complaints are Level 1 cases where the TIO gives the service provider a final chance at resolving the case without further involvement by the TIO. New complaints also include a very small number of complaints that are recorded directly at Level 2 and Land Access Objections that are recorded at Level 4.

Investigations

LEVEL 2	LEVEL 3	LEVEL 4
8,619	1,843	111
17,391	4,321	440
20,013	3,791	413
17,863	2,415	357
-10.7	-36.3	-13.6

Cases that are not resolved by referral to the service provider and require the TIO to conciliate a resolution.

Cases requiring further investigation, including where the TIO provides advice about a fair outcome. The TIO can make binding decisions at this Level if the value of the dispute is below \$1,200.

Cases requiring a thorough and detailed investigation and may result in a binding decision or direction by the TIO.

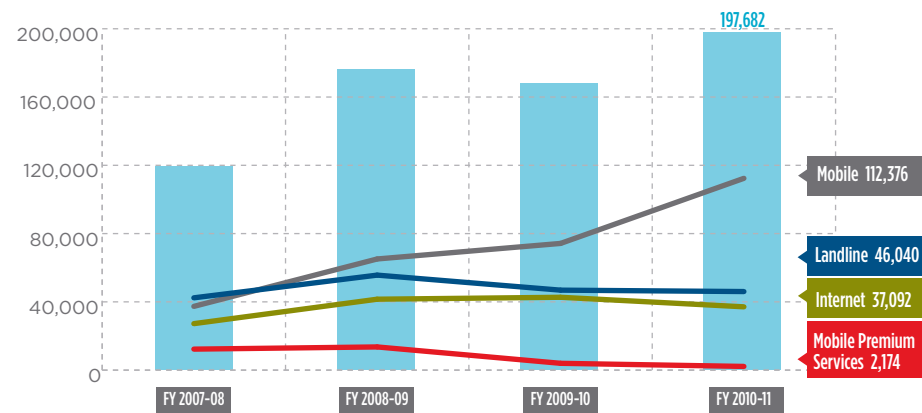
Enquiries

ENQUIRIES
22,364
30,650
39,805
39,928
0.3

The TIO records an Enquiry when a person contacts us about something we cannot deal with directly - including when the person has not contacted their provider, or complains about something outside the TIO's functions and powers.

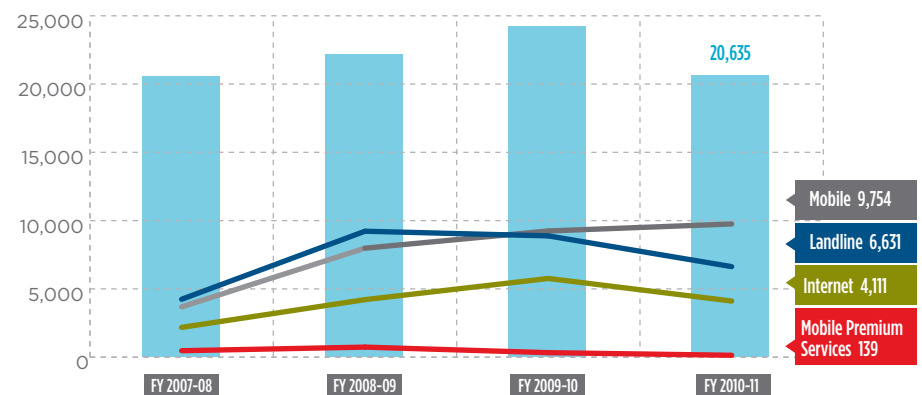
* from 2009-10 to 2010-11

New complaints by service type



New complaints about mobile services increased by 51.4% in 2010-11 and contributed significantly to the increase in new complaints received by the TIO in 2010-11. This was partly driven by the service issues faced by Vodafone and partly due to issues associated with rising smartphone use. New complaints about landline and internet decreased in 2010-11. New complaints about mobile premium services decreased to 2,174, some 45% less than in 2009-10.

Investigations by service type



Although Investigations across all service types decreased in 2010-11, Investigations for mobile services increased by 5.5%, partly driven by the surge in complaints about the Vodafone service issues where further TIO involvement through conciliation and investigation was required.

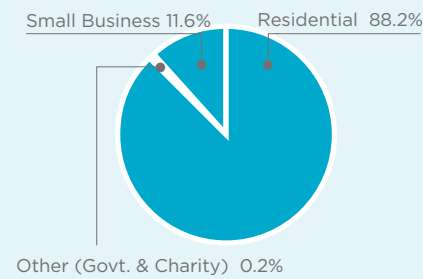
Highlights

This year was the busiest on record for the TIO. We received 197,682 new complaints, an increase of 17.8 per cent. More than half of these complaints – 112,376 – were about mobile phone services.

- We identified key issues related to smartphones, such as a 26 per cent increase in disputes about internet charges on a mobile service.
- We responded to unprecedented levels of demand by introducing fair, efficient and environmentally friendly processes such as **conciliation** and **email referral**.
- We continued to meet the needs of consumers who contacted us. The level of **overall satisfaction** with our complaint handling was 93 per cent among consumers we surveyed in February 2011.
- We were an active voice in the debate about customer service and complaint handling practices in the telecommunications industry. We made more than 20 **submissions to public inquiries** and reviews, most importantly the ACMA's *Reconnecting the Customer* inquiry, to highlight the ongoing problems in customer service in the telecommunications industry.
- We became **more accessible** by reaching out to culturally and linguistically diverse communities, and visiting vulnerable consumers, attending more than 50 events and conferences around Australia.
- We monitored more than 100 **systemic issues** and directly intervened in more than 50 matters to avoid problems for large numbers of consumers.
- We improved communications with all our stakeholders, by working on a new website, improving **Member Portal reports** and simplifying our **complaint handling procedures**.

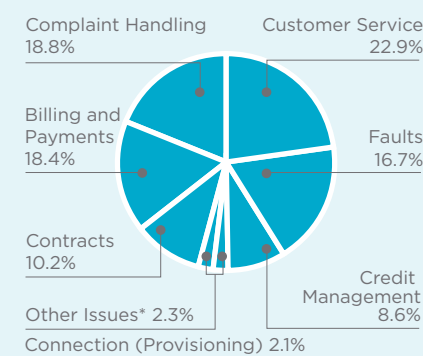
New complaints by consumer type

The TIO receives new complaints from small business and residential consumers who have a grievance or dispute with their telephone or internet service provider. Most consumers who approach the TIO are residential consumers. However, complaints involving small businesses are more likely to involve higher dollar value disputes.



Top 7 issues for new complaints

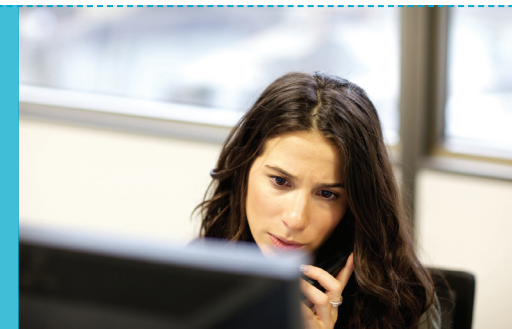
The TIO records and reports on issues at each case level. Every new complaint involves at least one issue. Some new complaints can involve multiple issues - for example, a complaint about a faulty mobile service may also involve a concern over the lack of a response from the service provider about the fault. In such circumstances, the TIO would record one new complaint with two issues - a faults issue and a customer service issue. This year, there has been a small decrease in complaints about billing and payments. All other issues increased, with fault issues increasing by more than 87 per cent, primarily as a result of a 467 per cent increase in mobile coverage issues in new complaints.



*includes transfers, privacy, directories, disability, land access, phonecards and payphones

CASE STUDY RAMON'S COMPLAINT

Ramon called the TIO after a problem with his mobile phone service.



A few months before, he had visited a phone dealer to sign up to a mobile plan telling them that he would be living in one country town for a short time and then moving permanently to another country town, so he needed a service providing coverage in both towns. He was advised that coverage would be no problem in either location. On that basis he signed up for a prepaid plan and arranged a direct debit to pay the account. Within days of moving to his permanent address, Ramon claimed the service was patchy and his phone would often roam on to another provider's network, incurring expensive charges. He told us he contacted his provider's customer service centre several times about the issues, as he was not told at the dealership that data roaming would be

part of the contract. He told us he would not have signed up if he had been aware of this. During the course of the complaint the provider offered to waive all fees incurred and allow him to transfer his number to another provider if he returned his handset, which he accepted. Despite the offer, he received a bill for \$1,400 the following month. From this amount, \$700 was an early termination fee - the cost of his handset and the balance for charges incurred when he exceeded his cap. Ramon called us again when his bank notified him that his service provider had attempted to direct debit his account, but the transaction had been rejected due to insufficient funds. We contacted Ramon's service provider, which then waived all the fees and cancelled the direct debit action in their system.