

Ombudsman's overview

This year, 35,000 fewer consumers made new complaints to the TIO.

This is a reduction of 18 per cent from the previous year, and you need to go back five years to find a period when fewer new complaints were made to the TIO. In a telecommunications market where mobile services have grown more than 30 per cent in five years, this is a marked turnaround.

My view is that this reduction can fairly be connected to a publicly-stated focus by telecommunications industry leaders to do better by their customers. Clear evidence is also emerging that the stronger rules in the 2012 Telecommunications Consumer Protections Code are working. Third, the regulatory focus on compliance with the new rules is having an effect.

We are also playing our role through drawing to service providers' attention issues that are causing complaints. Resolving these issues quickly results in fewer complaints.

These results make me cautiously optimistic. It is important to acknowledge that still more than 158,000 new consumer disputes were filed with the TIO. More than half of these included a customer service complaint about issues such as broken promises or wrong advice.

Most complaints were resolved through our "referral" process to specialist complaint handling teams or officers, which suggests that still too often simple complaints are not resolved until the Ombudsman is involved.

There was a new challenge for my office this year: the emergence of enormous variations in demand for our service. While complaints were substantially reduced, the lowest volumes were in the first six months of the year. From September 2012 to February 2013, demand increased by 38 per cent. We have needed to adjust and refine our forecast and management models, and promote more flexibility in every part of the TIO.

This report is titled "An independent voice", to reflect our increased focus on providing expert information about issues that affect telco consumers. This year we include additional data analysis, more systemic case studies and more transparent reporting about our own performance. Our strategy is to continue to improve our reporting in the coming year.

Independent surveys of consumers and service providers about satisfaction with our service were very positive. More than 90 per cent of both groups confirmed they were satisfied with conciliations, with the clear majority extremely or very satisfied.

These results, and our other achievements in the last year, reflect well on the TIO – staff, management, Council and Board. All have my thanks and recognition for their outstanding contributions. Throughout this report we profile some of our award-winning staff, who every day demonstrate a commitment to our vision of delivering excellent dispute resolution services and improving the telecommunications industry.



Simon Cohen
Ombudsman

CASE STUDY

James' complaint

James called us about a problem with a faulty handset.

James had taken out a contract that came with a brand new phone. The first time he used it, he realised people on the other end of the line could not hear him because the microphone didn't work.

He went to his provider's nearest store to ask for a replacement. The attendant acknowledged the fault, but told him they could only offer him a refurbished handset. James told us he wanted a new handset as a replacement and was unhappy with the provider's offer.

When we conciliated the complaint, the provider told us that the manufacturer's policy was to replace faulty handsets with refurbished ones. The provider argued it was an appropriate replacement under Australian Consumer Law.

We noted that under Australian Consumer Law, when a product is not of acceptable quality, a consumer can choose a replacement. The product must be of the same type and value as the returned one, had it been in good condition.

The provider would not be able to sell a refurbished handset for the same price as a brand new one. Because of this, a refurbished handset would not comply with the law and James was entitled to a new handset.

The provider replaced James' faulty handset with a brand new one. James was happy with this resolution and we closed the complaint.



 **Telecommunications Industry Ombudsman**

How to make a complaint

By phone 1800 062 058*
Online www.tio.com.au
In person Level 3, 595 Collins St, Melbourne VIC
By fax (free) 1800 630 614
By post PO Box 276
Collins St West VIC 8007

If you need an interpreter, please contact us through the Translator and Interpreter Service (TIS): 131 450

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

- TTY users: 1800 555 677
- Speak and listen users: 1800 555 727
- Internet relay users: www.relayservice.com.au

*Free from landlines. If you are calling from a mobile, you can ask us to call you back.

2013 Annual Report Summary

An independent voice



Complaint statistics 2012-13

All Cases

New complaints

Disputes that consumers bring to us for the first time after being unable to resolve them with their provider. We refer most of these disputes back to the service provider for a final chance at resolution.

Conciliations and investigations

Unresolved complaints where we work with the consumer and provider to reach an agreement (conciliation) or where we may make a decision (investigation).

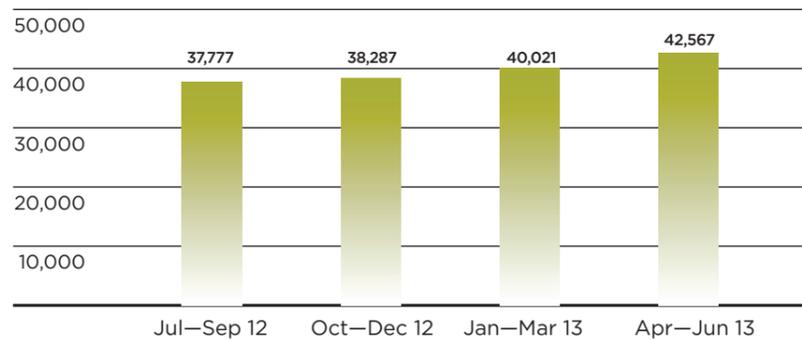
Enquiries

Cases we cannot deal with because they are outside our powers or were not raised with a provider first.

Financial year	New complaints	Conciliations and investigations			Enquiries
		Level 2	Level 3	Level 4	
2009-10	167,772	20,013	3,791	413	39,805
2010-11	197,682	17,863	2,415	357	39,928
2011-12	193,702	19,358	401	41	53,131
2012-13	158,652	15,928	471	10	47,016
Change (%)*	↓18.1	↓17.7	↑17.5	↓75.6	↓11.5

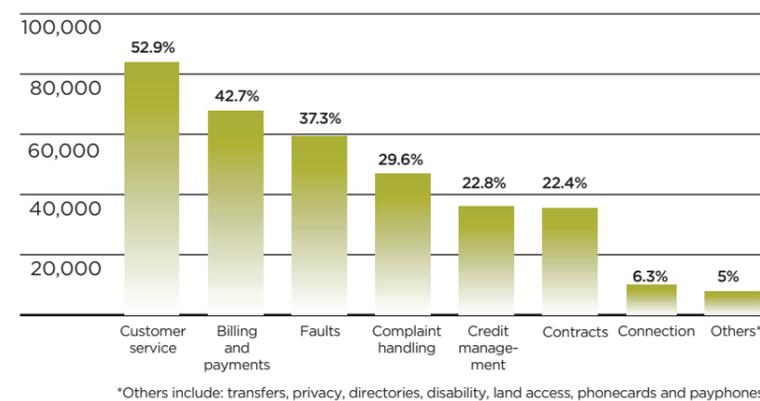
* From 2011-12

New complaints by quarter



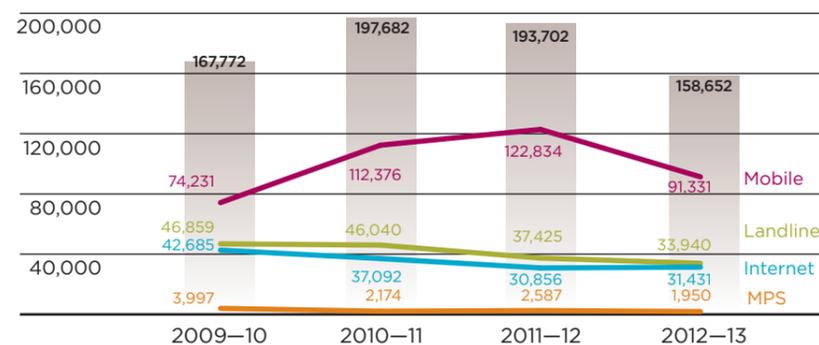
New complaints increased in the second half of the year. One reason was extreme weather causing delays in repairing faults and in new connections for internet and landline services.

Issues in relation to new complaints



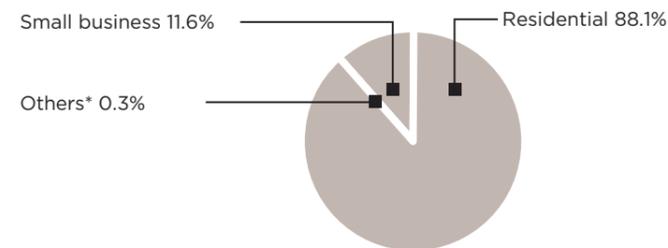
In each new complaint, a consumer may report several issues. In 2012-13, more than half of the new complaints reported to us included an issue about customer service. Billing and faults issues were the most common substantive cause of complaint.

New complaints by service type by year



There was an 18 per cent decrease in new complaints compared to 2011-12. This is the lowest number in five years. More than half of all new complaints were for mobile services.

New complaints by consumer type



In 2012-13, most consumers who came to the TIO were residential customers.

Highlights

Complaints to the TIO were at their lowest in five years. We received 158,652 new complaints, an 18 per cent decrease.

Complaints for the larger providers — Telstra, Vodafone and Optus — all decreased.

We intervened in 41 systemic issues with a focus on misleading sales calls. Most issues were resolved after our intervention, reducing consumer detriment and the causes of complaints.

We referred 19 providers to the telecommunications regulator for not complying with directions or not joining the TIO.

According to a recent survey, awareness of our service has more than doubled in the last four years, with unaided awareness at 33 per cent and aided awareness at 57 per cent. This compares to 15 and 36 per cent respectively in 2008.

Independent surveys of consumers and service providers whose complaints we dealt with showed that more than 90 per cent were satisfied with our handling of their cases.

We increased the period of time for consumers to make a complaint from one year to two years. In some cases, we will now allow up to six years for a complaint to be made.

We value and practice gender equality, with a balanced male-female workforce and equal pay. More than half our senior managers and executives are women — well above the Australian average.

We made 12 submissions to inquiries on issues of interest to regulators and industry. These included regulations for international roaming, credit reporting and mobile premium services.

We settled on a new enterprise agreement that includes staff benefits about employment, leave, superannuation and pay.

Complaints by state

