

Consumer vulnerability: expectations for the telecommunications industry

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Purpose

The Australian Communications and Media Authority (ACMA) supports a telecommunications sector that is respectful of community standards and diligent in responding to community concerns.

This document sets out a statement of expectations for the telecommunications industry to improve outcomes for consumers in vulnerable circumstances who may experience barriers to accessing and maintaining telecommunications products and services. It does this by:

1. communicating to industry the importance of being able to identify and respond to consumers in vulnerable circumstances
2. providing information to assist industry to identify consumers in vulnerable circumstances in a way that recognises the disparate circumstances and wide-ranging reasons that can contribute to vulnerability
3. articulating clear outcomes for industry, so it understands the ACMA's expectations of it in delivering services for consumers in vulnerable circumstances.

Context

Telecommunication services are a central part of Australian life. Being connected and accessing phone services and the internet have become necessary for many people to work and connect to education, health and government services. In this context, telecommunications services are now considered an essential service.

There is also a rising public expectation that regulators within Australia and internationally recognise the need for essential service markets to be inclusive and responsive to people's circumstances, so that markets deliver for all consumers.

The range of products available in the telecommunications market has become increasingly varied. Consumers can find it difficult to compare products due to complex and, at times, opaque technical and pricing information. This is especially so for consumers who may be, or find themselves in, vulnerable circumstances.

Australian and international regulators have begun to give more explicit consideration to consumer vulnerability in carrying out their responsibilities. Of note are the [Australian Energy Regulator \(AER\)](#), the [Australian Securities and Investments Commission \(ASIC\)](#), the [Essential Services Commission Victoria](#), the [Australian Competition and Consumer Commission \(ACCC\)](#) and the UK communications regulator, [Ofcom](#).

We recognise that most Australians will experience being in vulnerable circumstances, in some form, during their lifetime. The devastating effects of environmental emergencies (such as drought, bushfires or floods), the challenges of living with a serious illness, personal circumstances involving domestic or family violence, the difficulties of raising a family on a low income and most recently, the impacts of the COVID-19 pandemic, are some of the many circumstances that contribute to people's experience of vulnerability.

Telecommunications providers (telcos) openly recognise the importance of having policies and practices that appropriately service the needs of people experiencing vulnerability. Commercial practices adopted by individual telcos are reinforced by the [Telecommunications Consumer Protection Code \(TCP Code\)](#). Through this industry code, telcos have specifically committed to protecting and assisting disadvantaged and vulnerable consumers with appropriate service provider policies and practices. This commitment is reinforced by 2019 revisions to the TCP Code, which require telcos to take specific action in dealing with people in vulnerable circumstances.

These are important obligations that regulate the way telcos are required to assist and protect people experiencing vulnerability.

Our role

The ACMA is Australia's regulator for telecommunications, radiocommunications, broadcasting and some online content.

We are the primary sector-specific regulator for telecommunications, with responsibility for administering key consumer safeguards. This includes registering industry codes, making standards and determinations, addressing issues of non-compliance, and fulfilling reporting requirements under the *Telecommunications Act 1997*.

We have a key role in fostering conditions to assist telecommunications services to meet the specific needs of people across a range of personal and market circumstances so they can confidently and fairly access and use these services.

We expect people experiencing vulnerability to receive a level of customer care that enables them to effectively select and manage telecommunications products and services suited to their needs.

Telcos' obligations

As noted above, telcos are required to comply with a range of telco-specific rules in the [TCP Code](#). These provide consumer safeguards in the areas of sales, service and contracts, billing, credit and debt management and changing suppliers.

The TCP Code includes a range of obligations built upon a key commitment by telcos to assist and protect disadvantaged and vulnerable consumers, with specific rules about:

- > dealing with disadvantaged and vulnerable consumers
- > responsible selling
- > credit and debt management
- > financial hardship
- > identifying and meeting consumer needs
- > allowing for advocates and authorised representatives.

All telcos should be aware of and compliant with their obligations under the TCP Code.

The TCP Code is enforceable by the ACMA. If we find a telco has contravened the code, we can issue it with a formal warning or a direction to comply. We may take further enforcement action (for example, by issuing an infringement notice or seeking a pecuniary penalty) if a direction is not complied with – that is, where a further breach has occurred.

Other obligations

This statement of expectations does not extend to telcos obligations under regulation that is not specific to the telco industry.

There are other obligations on businesses (including telcos) that directly impact on dealings with consumers experiencing vulnerability. While this is not a complete listing, some helpful information may be found at:

- > The ACCC has information about Australian Consumer Law and responsibilities when selling goods and services to consumers with a disability. See www.accc.gov.au/business or www.accc.gov.au/disabilityresources for more information.
- > The Human Rights Commission can help with any questions about anti-discrimination laws. Call 1300 369 711 (TTY 1800 620 241) or visit www.humanrights.gov.au.

Role of the statement of expectations

By acknowledging the need to assist and protect disadvantaged and vulnerable consumers with specific rules, the TCP Code espouses a core community standard.

It remains an ongoing challenge for telcos to uphold that standard where vulnerability can be exposed in a diverse range of circumstances and there are a range of responses that may, or may not, serve to assist and protect those affected. Despite existing protections, there have been indications that practices by some telcos have disadvantaged consumers, particularly those who are vulnerable. For example:

- > Research conducted by the Consumer Policy Research Centre between May and October 2020¹ found that barriers and difficulties in contacting telcos disproportionately affected consumers with a disability – 43% of these consumers reported a negative experience.
- > In April 2021, Financial Counselling Australia released a report based on interviews with 228 financial counsellors, who reported that between one-third to more than half of their clients were struggling with telecommunications debt.²
- > In November 2020, the Australian Communications Consumer Action Network (ACCAN)³ reported that poor sales practices by telcos had led to systemic debt for First Australian telecommunications consumers in regional and remote Central Australian communities.
- > The ACMA's 2020 qualitative research on telco financial hardship programs from the perspectives of financial counsellors reported some key findings around the dangers of 'upselling', the difficulty with inflexibility of contracts and the difficulty in accessing the right telco staff who could help customers in financial difficulty or their representatives.⁴
- > In May 2021, the TIO released a systemic investigation report⁵, which focused on the role of telco selling practices. It identified 4 key themes:
 - > advertising and point-of-sale information does not always cover key terms
 - > online information about telco products and services can be difficult to find and understand
 - > telcos do not always responsibly promote or sell their products and services
 - > consumers sometimes unknowingly sign up for products or services they do not need.

This has highlighted the need to not only be mindful of the core community standard but also the need to improve practices across the telecommunications industry.

The TCP Code is an industry-specific regulatory response to this challenge. The code sits alongside the regulation of more general application, such as the Australian Consumer Law and anti-discrimination laws, to specifically focus on how telcos meet the community standard in these dealings.

¹ CPRC, [Monthly-Policy-Briefing – August Results](#), CPRC website, September 2020, accessed 1 March 2022.

² Financial Counselling Australia (FCA), [Telcos and Financial Hardship: Feedback from the Frontline](#), FCA website, April 2021, accessed 1 March 2022.

³ C Cartwright and C McAuliffe, [Telecommunications Debt in Rural and Remote Indigenous Central Australian Communities](#), Australian Communications Consumer Action Network website, November 2020, accessed 1 March 2022.

⁴ ACMA, [Telco financial hardship programs: views from financial counsellors – Qualitative research](#), ACMA website, February 2021, accessed 1 March 2022.

⁵ Telecommunications Industry Ombudsman (TIO), [Helping telco consumers sign up to the right phone and internet products](#), TIO website, May 2021, accessed 1 March 2022.

This statement of expectations aims to contribute to the development of appropriate industry responses by providing guidance to assist industry in identifying vulnerability and setting out how we expect telcos to support consumers in vulnerable circumstances.

The statement is not a compliance guide for the TCP Code, which sets minimum standards – it is an outcome-focused guide to better practice. How telcos meet the expectations and outcomes is up to them. Although we have provided examples for telcos to consider, these are just some of the many options available for delivering outcomes for consumers in vulnerable circumstances.

Our expectations

We expect telcos to:

1. Treat all consumers fairly and reasonably, so that consumers are less likely to experience vulnerability and harm when accessing and maintaining communications services.
2. Be proactive in identifying and responding to consumers in vulnerable circumstances.
3. Have better-practice policies and processes in place to assist consumers in vulnerable circumstances to gain and maintain access to telecommunications services that meet their needs and circumstances.
4. Include supporting consumers experiencing vulnerability in their business strategy/planning.

Identifying vulnerability

Vulnerability is something that may be experienced by anyone. It can be temporary, long term or permanent and may occur for a variety of personal, economic or societal reasons.

In the context of the telecommunications sector, we consider a person experiencing (or at risk of experiencing) vulnerability is someone who experiences barriers accessing, engaging with, or maintaining telecommunications products and services. These barriers include event-based circumstances, personal/social circumstances and market-based factors. As a result of barriers, that person experiences economic and/or social exclusion or harm.

A consumer has a higher risk of experiencing negative outcomes when acquiring goods or services if they:

- > have limited ability to maximise or advocate for their wellbeing
- > have difficulty in finding information or making informed decisions about telecommunications goods or services
- > are more susceptible to certain marketing practices such as upselling or cold calling.

Factors that may contribute to vulnerability

Below are some examples of barriers or circumstances that may contribute to vulnerability.

These examples are indicative only and are not an exhaustive list of all the circumstances that may contribute to vulnerability.

Event-based circumstances

- > Domestic or family violence (DFV)
- > Relationship breakdowns
- > Death of a loved one
- > Financial stress or job loss
- > Serious or life-threatening medical conditions
- > Precarious work or highly variable incomes
- > Suffering an accident or chronic physical or psychological illness
- > Natural disasters or adverse events such as bushfire or flood
- > Caring for someone experiencing any of the above circumstances.

Personal or social factors

- > Age (very young or old)
- > Low income
- > Homelessness
- > Location (for example, coming from remote or natural disaster-prone area, having no telecommunications coverage)
- > Speaking a primary language other than English
- > Poor reading, writing or numerical skills
- > Limited or no access to digital technologies

- > Different cultural backgrounds, assumptions or attitudes
- > An intellectual, psychiatric, physical, sensory, neurological or learning disability.

Market factors

- > A culture of incentivised sales, which can lead to exploitation of people experiencing vulnerability
- > Online tools or engagement channels that may not align with consumer needs
- > Complex or confusing product offerings
- > Information that is complex, difficult to understand or not easily accessible.

Enabling consumer self-identification

We appreciate that identifying consumers experiencing vulnerability can be challenging. The first step is developing and promoting an inclusive culture where consumers feel comfortable discussing their circumstances and identifying potential barriers. This should be followed by having systems and processes that offer timely and meaningful support. More information can be found under 'Priority area 1: culture and practices'.

However, the intersectional and often structural nature of vulnerability can complicate the identification of barriers leading to harm, and other consumers may not feel comfortable identifying as vulnerable.

We also acknowledge that the existence of circumstances that create a risk of harm, detriment or disadvantage in a consumer's interactions, does not necessarily mean the consumer is experiencing vulnerability.

These challenges and complexities mean that telcos cannot rely solely on consumers to identify themselves as vulnerable. Telcos, therefore, have a responsibility to engage proactively with all consumers and potential customers. This includes being aware of, and sensitive to, indicators of barriers and circumstances that may lead to vulnerability and having appropriate systems, processes and supports in place.

To assist telcos to identify and support consumers experiencing vulnerability, we have set out some examples below. These are intended as a starting point for consideration and are neither exhaustive nor mandatory.



Examples

- Respond to customer requests for actions through the lens of whether they are aimed at overcoming potential barriers and be flexible in responding to them. For example, one customer may request all correspondence be sent electronically to enable use of a screen-reader, while another may need to arrange for contact to happen at a specific day/time due to limited digital access. Are your staff trained to recognise and respond appropriately? Are you, your systems and processes flexible enough to accommodate such requests?
- When setting up systems for and training staff in offering financial hardship support to customers, use objective measures, such as regular late payments, failure to pay or queries about cheaper products, in addition to established 'trigger' words like 'financial hardship'.
- Use automated assisted-decision-making software (with appropriate human oversight) to help identify consumers experiencing vulnerability. An example would be using natural language processing software to identify relevant key

words in customer communications that would automatically flag them as potentially experiencing payment difficulty. This could then be discussed appropriately with the customer.

- (d) When developing/implementing systems and processes for responding to people experiencing vulnerability, establish partnerships with consumer organisations to strengthen your ability to identify, appropriately respond to and connect customers with appropriate support.
- (e) Be flexible and adapt to changes in the specific needs of the customer as events unfold in their life, including as a result of ill health, family or other social situations, employment, or government health restrictions.
- (f) Train customer-facing staff to understand and identify indicators of potential barriers/vulnerability and how to best offer support. More suggestions on training can be found under Priority area 1.
- (g) Regularly assess whether your processes appropriately recognise the difficulties and sensitivities involved for consumers in disclosing their experience of vulnerability. For example, in matters involving DFV, make disclosure enough to trigger an appropriate response, without the need for further evidence, such as an Apprehended Violence Order or court order.
- (h) While there are many legitimate reasons for both, multiple contracts under one name, or the account-holder not being the end user, can be an indicator of financial abuse. Sales representatives could be encouraged to proactively enquire if the person incurring financial responsibility for the product/service will be the end user. If they are not the end user, their responsibilities under the contract should be clearly explained.

Statement of expectations

We have set out 5 key priority areas for telcos to focus on to meet our high-level expectations:

-  **1 Culture and practices**
-  **2 Selling and contracting**
-  **3 Customer service**
-  **4 Financial hardship**
-  **5 Credit/debt management and disconnection**

Each priority area sets out a key outcome and expectations, as well as some examples of how these outcomes may be achieved. We expect telcos to meet the outcomes and expectations. How they do this is up to them; they may choose to follow or adapt from the list of examples suggested or implement other measures. We encourage telcos to be proactive and innovative in developing solutions to meet the needs of vulnerable consumers.

Priority area 1: culture and practices

Outcome

Telcos embed a culture and operating environment that encourages an increased focus on and support for identifying, interacting with and assisting consumers experiencing, or at risk of experiencing, vulnerability.

Expectations

We expect telcos to:

- 1.1. Demonstrate executive or senior management oversight of the development, implementation and operation of systems, processes, policies and procedures that support consumers in vulnerable circumstances.
- 1.2. Implement appropriate systems, processes, policies and procedures to identify and support consumers experiencing vulnerability to obtain and maintain access to telecommunications services that meet their needs and circumstances (links to outcomes 3.2, 3.3, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.8, 4.9, 5.2, 5.4, 5.5, 5.6).
- 1.3. Conduct regular and specific training in all relevant systems, processes, policies and procedures for all staff who may interact with consumers experiencing, or at risk of experiencing, vulnerability, including management and staff responsible for developing products and processes that might apply to these customers (links to outcomes 2.2, 3.2, 3.3, 4.1, 4.2, 4.5, 4.7, 5.4).

- 1.4. Support, empower and encourage staff to advise management of any perceived deficiencies or opportunities for improvement in the way the telco assists customers experiencing vulnerability (links to outcome 4.5).
- 1.5. Make internal policies relating to consumers in vulnerable circumstances available on request.

Examples

Governance

- (a) Establish specific governance arrangements to provide assurance that staff are interacting with vulnerable consumers appropriately. This could include:
 - (i) monitoring and reporting on sales representatives' interactions with customers, with a specific focus on whether sales representatives are proactively identifying vulnerable consumers
 - (ii) conducting an annual review of policies, practices, and complaints to identify the barriers that exist for consumers experiencing vulnerability in accessing products, seeking timely customer support or hardship assistance, and fixing contract arrangements that are no longer appropriate for the customer's circumstances.
- (b) Include senior executives in these governance arrangements, to demonstrate to staff that the needs of vulnerable consumers are a priority for the business.

Training

- (c) Determine the skills, capabilities and information that staff will need to effectively interact with consumers experiencing vulnerability, including how to measure the effectiveness of training. Be thorough and specific when considering the scope of staff training. Ideally, training would be specifically designed for interactions with consumers in vulnerable circumstances rather than generic training. This may include training in:
 - (i) understanding and identifying indicators of vulnerability/potential barriers
 - (ii) recognising First Nations Australians' cultural safety (possibly specific to the local areas in which they operate to better reflect local cultural nuances)
 - (iii) understanding DFV and/or other types of trauma
 - (iv) working with translators and interpreters.
- (d) Ensure support staff (and subsequently, customers) benefit from comprehensive training, by:
 - (i) testing knowledge and understanding at the completion of staff training modules
 - (ii) making training on relevant systems, processes, policies and procedures for identifying and interacting with consumers in vulnerable circumstances a pre-requisite before new staff can interact with customers
 - (iii) evaluating the adequacy of training and in-house support for staff in dealing with customers in vulnerable circumstances, and implement any changes from these evaluations in a timely way
 - (iv) monitoring staff performance through regular auditing of customer interactions; for example, randomised reviews of call and email correspondence
 - (v) conducting refresher training – every 12 months at a minimum.

- (e) Train a specialist team to assist customers experiencing vulnerability and refer customers who are identified as experiencing, or at risk of experiencing, vulnerability to this team for assistance. This could include a team with specialist contacts for DFV victim/survivors and/or financial hardship.

Product design

- (f) Incorporate 'inclusive by design' principles into the development of new products and services, with the aim of offering products that are easy to find and understand, and suit a range of consumer needs.
- (g) Establish co-design or user-testing for products and services suitable for or targeted at people with disability.
- (h) Undertake vulnerability impact assessments for new products and services to understand how a product or service may impact on, or be used by, consumers experiencing vulnerability.

Empowering staff

- (i) Create an internal culture of support for staff who may be experiencing vulnerability (in addition to the support for customers). For example, consider simple changes in the language used and role titles through the lens of diversity and inclusion.
- (j) Implement ways to encourage and reward staff for identifying improvements.
- (k) Review customer scripts and assess if and when they are appropriate. There are times when these are necessary for information and compliance, but it may also be beneficial to give staff some freedom in their discussions with customers to fully understand their needs and establish if they may be experiencing vulnerability.

Information

- (l) Provide information on how to access translation or interpretation services. For example, having contact details for the National Translating and Interpreting Service readily available for both staff and consumers in-store, online and over the phone.
- (m) Develop and abide by a reconciliation action plan and a disability action plan, and make these publicly available.

Domestic and family violence

- (n) Consider the unique risks and barriers faced by DFV victim/survivors when designing products, services, systems and supports, including appropriate training for staff. This could be done by:
 - (i) consulting relevant codes and guidance, such as the Communications Alliance Guideline [G660:2018 Assisting Customers Experiencing Domestic and Family Violence](#), and the Telco Together Foundation DFV Action Plan Framework and Training Framework
 - (ii) developing a DFV plan that addresses the needs of staff and customers who may be impacted by DFV
 - (iii) consulting staff who have specific knowledge of aspects of vulnerability resulting from DFV when developing and implementing systems, and processes for responding to customers who may be/are DFV victim/survivors.



Priority area 2: selling and contracting

Outcome

Consumers are sold products appropriate to their needs and circumstances.

Expectations

We expect telcos to:

- 2.1 Incentivise staff to make relevant enquiries to help consumers understand and express their needs, and select the product or service most suited to those needs.
- 2.2 Support staff to be proactive in ensuring consumers are informed and aware of affordable and low-cost products and services that are available to meet their needs (links to outcome 1.3).
- 2.3. Disincentivise staff from inappropriately upselling to customers.

Examples

- (a) Design incentive programs rewarding staff for appropriate selling and disincentivise or penalise inappropriate upselling to consumers experiencing, or at risk of experiencing, vulnerability. Potential measures may include:
 - (i) collecting and analysing data about customer feedback/satisfaction, retention rates and referrals
 - (ii) conducting internal audits, shadow shopping, listening to call recordings
 - (iii) examining ratios of customers entering financial hardship agreements.
- (b) Discuss affordability when helping a consumer select the best product or service to suit their needs. This could include:
 - (i) recommending where a customer might be better off switching to another plan and the related changes in plan pricings, fees and charges
 - (ii) identifying customers on lower value, more expensive legacy plans and proactively offering to switch them onto more affordable, better value plans
 - (iii) informing consumers seeking new products/services about basic affordable offers upfront, and not only as 'alternatives' once affordability is raised as an issue
 - (iv) ensuring the customer understands the full costs they are committing to, including ongoing payments and any additional fees, and what they should do if their circumstances change.
- (c) Discuss other factors apart from affordability when helping a consumer select the best product or service to suit their needs. These may include:
 - (i) being aware that the person on the contract may not be the only person using the device or service (for example, children using parents' data to hotspot for school)
 - (ii) identifying whether the person incurring financial responsibility for the product/service will be the end user (confirm they clearly understand the ongoing costs they will incur)
 - (iii) considering the needs of DFV victim/survivors (see example 1(n))
 - (iv) making service cancellation clear and straightforward and waiving cancellation fees for consumers experiencing vulnerability if a product or service does not end up suiting their circumstances.

- (d) Use plain language that is accurate and easy to understand when describing a product/service and make it accessible. Is it available in different formats? Can it be accessed in languages other than English? (See example 1(l).)
- (e) Monitor accessibility and processes through internal audits, shadow shopping and listening to call recordings, and produce regular reports about any instances of mis-selling and uptake of low-cost plans. Use the information gained to refine training and sales processes where necessary.



Priority area 3: customer service

Outcome

An accessible and inclusive telecommunications market where telcos understand, identify and assist consumers who may benefit from additional or specialised support.

Expectations

We expect telcos to:

- 3.1 Have customer service arrangements and communications that are inclusive and accessible to all customers, with multiple pathways for access that include a customer support phone number and clearly stated, reasonable response times.
- 3.2 Assist consumers to self-identify as vulnerable, and implement systems to proactively identify consumers who may be experiencing vulnerability (links to outcomes 1.2, 1.3).
- 3.3 Offer relevant support or referrals to appropriate support services to assist customers overcome barriers to accessing, engaging with or maintaining telecommunications products and services (links to outcomes 1.2, 1.3).
- 3.4 Make websites and smartphone apps compliant with the latest web content accessibility guidelines published by the Web Accessibility Initiative of the World Wide Web Consortium.

Examples

- (a) Provide customers with easy access to simple statements of what to do, what details they will need to provide and how to make contact to address their situation. For example, information about where to go for help resolving an issue with a product or service could be prominently linked from the website homepage and include all available contact methods.
- (b) Make webpages with key policies, procedures, contacts and accessibility information easy to find. Website search functions need to bring up relevant policies, procedures and useful information in response to a consumer request.
- (c) Respond to the potential accessibility needs of consumers when making information available. This may include:
 - (i) ensuring online information is readable by screen-reader software and offering information about help and support services in different formats and languages (or provide information about how to access translator/interpreter services – see example 1(l))
 - (ii) making alternative-format information available for consumers who may not be able to access or use the internet, such as providing paper copies on request or through agents

- (iii) tailoring communication methods to suit the circumstances of customers experiencing vulnerability, such as only communicating in writing, or conversely, by voice.
- (d) Set targets and measure the time taken to respond to consumers' queries via different channels. Investigate and make improvements where targets are consistently not met.
- (e) Have all staff who interact with consumers (including part-time, casual and contract staff) undertake initial training and regular refresher training in working with people in vulnerable circumstances.
- (f) Implement a 'quick exit' facility and 'safety check' information, for consumers who may be DFV victim/survivors.
- (g) Design customer relationship management systems and associated processes that record a consumer's needs in addressing or overcoming any barriers to assist with future interactions between the consumer and the telco. For example, a DFV victim/survivor may require extra security on their account such as a PIN, along with a note that birthdate/personal information is insufficient information for access.
- (h) Design customer pathways for inquiries and complaints in a way that limits the number of times a consumer has to explain their circumstances. This will minimise challenges for consumers in vulnerable circumstances having to speak to a different person, or re-tell their story, each time they contact the telco.
- (i) Offer a priority assistance program for customers with serious or life-threatening medical conditions, which provides priority service, technical support, and connect and fault repair timeframes.



Priority area 4: financial hardship

Outcome

Telcos are supportive of consumers struggling with their bills so they can maintain access to their services.

Expectations

We expect telcos to:

- 4.1 Assist consumers to self-identify as vulnerable, including implementing ways to proactively identify consumers who may be experiencing financial hardship and offer them relevant support or referrals to appropriate support services to assist in overcoming barriers to accessing or maintaining their telecommunications products and services (links to outcomes 1.2, 1.3).
- 4.2 Provide consumers in financial hardship with access to dedicated and specialised customer service that provides timely assistance (links to outcomes 1.2, 1.3).
- 4.3 Formulate or select financial hardship arrangements best suited to an individual, in terms of payment amounts, repayment schedules and other circumstances (links to outcome 1.2).
- 4.4 Offer flexibility in contract arrangements, including easily moving to cheaper contracts (where possible) and cancellation of contracts at minimal or no cost, as relevant to the customer's circumstances (links to outcome 1.2).
- 4.5 Authorise appropriate staff to tailor arrangements to meet a consumer's needs and ability to pay (links to outcome 1.2, 1.3, 1.4).

- 4.6 Minimise the use of restrictions on services that prevent customers making essential calls or undertaking important online activities (links to outcome 1.2).
- 4.7 Support staff with training and information to help customers properly understand financial hardship arrangements (links to outcome 1.3).
- 4.8 Approve access to financial hardship arrangements except in specific circumstances; for example, if there is clear evidence a customer can afford to pay their debt without entering into such an arrangement (links to outcome 1.2).
- 4.9 Monitor repayment arrangements and proactively respond to indicators of emerging difficulty for a customer (links to outcome 1.2).

Examples

- (a) Make information about financial hardship policies easy to access and understand for consumers and financial counsellors. Clear information should be provided on websites, bills and via telephone.
- (b) Avoid making access to financial hardship assistance dependant only on self-identification or specific 'trigger' words and phrases. Use objective measures to start discussions about financial hardship arrangements or payment plans or to refer customers to specialist financial hardship staff (see example (b), page 7 under 'Identifying vulnerability').
- (c) Train all staff who interact with customers to understand the telco's financial hardship policy and the options available, including call centre staff who, in many cases, will be a customer's first point of contact when experiencing hardship.
- (d) Give all customers who identify as being in financial hardship the choice to negotiate their own financial hardship arrangement with the support of appropriately-trained staff.
- (e) Promote the availability of free assistance from financial hardship counsellors to customers who may be experiencing, or at risk of experiencing, financial hardship, not just to those who expressly request to contact a counsellor. Provide them with the opportunity to engage with a financial counsellor before making any commitments.
- (f) Refrain from restricting or suspending the service of anybody who has not suggested it, where possible. This can be especially important for DFV victim/survivors.
- (g) Proactively contact customers who are behind in payments to offer them financial hardship assistance.
- (h) Join cross-sector financial hardship initiatives such as Thriving Communities Partnership's One Stop One Story Hub.
- (i) Advertise all financial hardship options and explain these to customers inquiring about financial hardship arrangements. Options could include:
 - (i) using incentives or reward-based financial hardship arrangements; for example, payment matching or credit in exchange for payments made by consumers
 - (ii) discussing with the customer which fees, charges and potentially non-essential add-ons could be removed from the account
 - (iii) moving the customer to a cheaper plan
 - (iv) enabling customers to nominate a spend limit for any service on their account. For example, the customer could nominate a spend limit of \$100 per month, which would preclude them from signing up for a service above this amount unless they withdraw the spend limit

- (v) implementing income measures and voucher programs delivered via community organisations
- (vi) ensuring payment instalments for payment plans are fair and realistic, and based on the individual circumstances of that consumer; for example, that they make up no more than an affordable percentage of the customer's weekly income.
- (j) Minimise and routinely revise fees and charges (for example, break-contract fees and late payment fees) and demonstrate they are proportionate and fair. Make more than one payment method free-of-charge.
- (k) Make specialised financial hardship assistance staff easy to contact by a variety of mechanisms, including phone. Not all consumers have access to computers and may not always be able to access the internet.
- (l) Audit files regularly for customers in financial hardship to determine if the hardship has been contributed to or caused by improper practices or poor conduct, such as inappropriate upselling.



Priority area 5: credit/debt management and disconnection

Outcome

Credit and debt management processes are fair, accurate, flexible, and proportionate, with disconnection as a last resort.

Expectations

We expect telcos to:

- 5.1 Approach credit management and debt collection with sensitivity to any extenuating circumstances that may be facing customers who have fallen into debt.
- 5.2 Suspend credit management action while considering the customer's financial situation, and work with the customer to find a suitable solution to payment difficulties (links to outcome 1.2).
- 5.3 Keep customers, including those experiencing financial hardship, connected whenever possible.
- 5.4 Ensure that all customers facing disconnection have been offered all reasonable solutions and options to avoid disconnection (links to outcome 1.2, 1.3).
- 5.5 Ensure consumers experiencing vulnerability are not barred from contracting new services if they have been disconnected (links to outcome 1.2).
- 5.6 Take additional steps to ensure any health or safety concerns requiring access have been mitigated before a disconnection occurs (if disconnection is unavoidable) (links to outcome 1.2).

Examples

- (a) Escalate all cases in which a customer faces credit/debt management (including disconnection) to a staff member with appropriate skills, experience and qualifications in interacting with people who may be experiencing vulnerability. This may assist in determining whether the customer is experiencing vulnerability and whether any other options or solutions can be considered to keep them connected.

- (b) Implement a program for reviewing disconnections to determine if they could have reasonably been avoided and reflect any lessons in revised policies and procedures.
- (c) Offer a range of options and assistance to customers at risk of credit/debt management action and disconnection, including:
 - (i) moving them to a different plan; for example, converting a post-paid plan to a prepaid service
 - (ii) making it routine to automatically refer customers who face disconnection to free financial hardship counsellors
 - (iii) applying threshold limits before disconnection. For example, not disconnecting a service where the debt is below a set amount, such as \$200
 - (iv) offering flexible financial hardship arrangements that take a customer's ability to pay into consideration (see examples 4 (e), (f), (i) and (j)).

Sector outcomes

This statement of expectations is a guide to better practice which the ACMA considers should be adopted by the telco sector in meeting their core TCP Code commitments to consumers experiencing vulnerability. It has been developed to improve outcomes for those consumers and provide clarity to industry about the ACMA's expectations in this area. It is not intended as a compliance and enforcement tool.

However, we are keen to understand how, and to what extent, the outcomes set out in the TCP Code—and embodied in this Statement of Expectations—are being delivered by telcos.

Telcos must be able to measure and report publicly on their performance against outcomes-based TCP Code consumer vulnerability obligations to which they are bound. This provides confidence for consumers and evidence for the regulator of the effectiveness of the co-regulatory regime.

In anticipation of a review of the TCP Code in 2024, the sector now has an opportunity to develop and publicly report against a performance measurement framework for outcomes-based vulnerability measures in the TCP Code. This will enable the ACMA and the industry to assess current performance and potentially support the further use of outcomes-based measure in future codes of practice.