Dear Sir/Madam,

As per the Consumer Safeguards Review, we would like to share some specific examples of interactions with customers that highlight the inequity of the current system that leads us to recommend that Proposal 2: External Dispute Resolution is adopted. It is our belief that the current Telecommunications Industry Ombudsman (TIO) process does not consider the Telco’s complaint handling and escalation processes and as such, operates almost exclusively in the favour of the customer. We have outlined cases that highlight that the TIO is not operating as per its Charter and what we believe to be the intent of the organisation. The direct impacts is that customers do not have their disputes resolved in a timely manner and non-valid complaints are lodged, considered and in many cases compensated in an attempt to limit financial exposure. Attached in appendix A are a number of examples that highlight these claims. These cases include demonstration of instances where the TIO have:

* Proactively contacted customers at referral level.
* Escalated complaints based on the customer’s perspective where no consideration has been referenced to the fair and reasonable offers of compensation or credits provided by Southern Phone as a result of our internal complaint and escalation process.
* Escalation of complaints and charging conciliation fees where there is no evidence of customers contacting the provider at referral level.
* Referred complaints for disconnected landline numbers where the Company was the gaining carrier.

Referred a complaint for a fee because the customer does not agree with the proposed valid and justified fee which is a standard fee of other carriers. Appendix A contains examples that we believe illustrate issues with the current TIO process that we would like to address. Often, after acting in what we believe is a fair and reasonable manner in addressing a customer concern, as a company we feel compelled to provide further financial credits to the customer to ensure the complaint does not escalate. This behaviour is typically driven from the pressure of avoiding the cost of a Level 2 escalation. Often in these cases we are conceding to the customer even though we believe we have acted fairly. Likewise in many cases we believe we are not at fault but still concede to avoid financial penalty of the current process.

As an organisation, we support establishing an External Dispute Resolution body that is independent of industry that supports not only the customer but recognises a adequately addressed complaint and escalation process. We support all other governance arrangements outlined within the proposal contained within the review.

Kind Regards

David Joss

Managing Director

**Appendix A**

**TIO proactively contacting customers at referral level**

The TIO state that they do not proactively contact customers at referral level. As per the statement on the referral forms:

*If X does not contact us again, we will treat the complaint as resolved.*

However, customers have confirmed that they are being proactively contacted by the TIO at the referral leave. If the customer advises they were not satisfied with the outcome, the TIO are sending suspend credit management request, additional contact requests and in cases conciliation notifications

Examples of this are:

* Suspend Credit management - Customer advised he received an SMS from the TIO
* Level 2 notification - Customer advised he was contacted by the TIO to see if the issue was fixed and whilst he confirmed the landline issue working he was not happy with the process.

**Escalating based on customer’s word rather than facts and the providers complaint and escalation process**

Another concern is the TIO do not investigate or ask for a provider’s position at referral level if a customer still raises concerns. The TIO accept the customers escalated complaint at face value even if the provider has resolved the issue or outlined their position.

The onus is on the provider to justify the outcome by responding to the conciliation request, with supporting documentation and only then submitting a reclassification request.

**There is no onus on the customer to validate their claim**

Examples of this are:

**Example 1**

* April 2017 - Original complaint received
* Issue with landline internet resolved.
* CSG applied
* April 2018 - Contact request received
* Customer is claiming they should still have credits on account but getting billed
* Break down of account, charges and credits emailed to customer with TIO included
* June 2018 – Stop credit management request received.
* Copy of same email sent in April forwarded to TIO again.
* June 2018 – Level 2 Notice of conciliation received
* Copy of email with all statements and customer notes forwarded to the TIO.
* Note – No payment from the customer received February 2017.
* Services active and working.
* Reclassification submitted and declined [redacted] MR2018/2014[/redacted] as TIO state issue not with services but with the credit depletion.

**Example 2**

* March 2018 – Customer disputing charges and the amount for contract she agreed to. Claims she thought should be charged $82.00 a month but was getting charged $92.00 a month. Questioned pro rata charges.
* SPC made many attempts to contact customer without success.
* Finally, able to speak with customer and confirmed the contract and plans agreed to. Removed paper bill fee as goodwill. Customer claimed happy with explanation and outcome.
* May 2018 - Level 2 received as customer now claiming she should only be charges $75.00 a month. Customer/ TIO wanting release from contract even though there was no SPC error.

**Example 3**

* April 2018 - Original issue was delay in connection. SPC had more than 20 conversations with the customer through the connection. The customer was kept informed and updated. Service was connected. Credits applied.
* May 2018 Level 2 received as customer now claiming drop outs (new issue) and was unsure of credits on invoice.
* Outcome. The customer acknowledged SPC has gone above and beyond in attempt to resolve issue.

**Example 4**

* May 2018 Customer disputing internet charge and increase to invoice from Copper to NBN.
* SPC explained charges in detail and confirm costs and how to manage. Credit applied as goodwill. Called customer back and again discussed charges. Customer advise happy with $55.00 charge
* June 2018 – Level 2 complaint received as Southern Phone had not ‘sufficiently’ explained the NBN situation to the customer – This could have been a contact request.

**TIO escalating complaints and charging conciliation fees when customers have not contacted provider at referral level.**

**Example 5**

* June 2018 TIO level 1 received.
* Wanted new number. New SIM sent. Charged for SIM card. Unable to contact customer and letter sent
* June 2018 TIO suspend credit management.
* $20.00 Credit for SIM as goodwill (which was being disputed) and letter sent to confirm
* July 2018 Conciliation notice received – Customer refusing to pay outstanding invoice.
* Customer has not contacted SPC to raise issue since TIO level 1 unable to contact
* Reclassification requested - MR2018/2370 awaiting response

**Example 6**

* Managed Disconnection. New number provider and working. Customer wanted original number. EBD added.
* New modem sent with updated setting. Customer advised unable to plug in modem. Customer then broke arm, unable to set up modem. SPC continued to contact and follow up with customer.
* Conciliation received even though customer as asked to postpone due to broken arm and had not contacted SPC.

**Example 7**

* Customer claiming ONIX faulty. J1 Mini sent.
* Raised to conciliation as customer claiming husband cannot use J1 Mini.
* Conciliation received even though customer did not contact SPC to discuss issues with the replacement handset received.

**TIO complaints being received by gaining carrier for disconnected landline porting numbers**

Customers are transferring from another provider to Southern Phone.

Land Line number was disconnected by previous provider before Southern phone was able to port and therefore our port request was rejected

TIO complaint is assigned to the gaining carrier.

In attempt to port the landline number SPC are required to submit an Exchanged Base diversion ($79.00 connection fee and the call charges incurred). Southern Phone will generally cover these charges in attempt to active the number for porting.

This process is not always guaranteed.

We have been advised by the TIO in the past, that Southern Phone need to demonstrate we have done all we can to gain the number (if we were unsuccessful). The TIO will raise to conciliation to investigate this and if they feel we have done all we can to active the number we can then request a reclassification.

**TIO referrals received for fee notification**

Southern Phone received a TIO complaint concerning a future fee of $1.50 that the customer had been notified of in advance. The TIO complaint was lodged as a referral, as the customer had called earlier as he wasn’t pleased with the planned fee.

When contacting the members portal to get an understanding on our position regarding these complaints we were advised it was not the TIO’s position to question the customers complaint as they accept them in good faith.

In this circumstance Southern Phone has ensured all policy and process has been adhered to by;

* Justification for the charge in line with TCP Code and ACCC - <https://www.accc.gov.au/consumers/prices-surcharges-receipts/credit-debit-prepaid-card-surcharges#payment-surcharges>
* Showing the charge is not excessive and we are not passing on the full fee
* Demonstrated other Telcos have similar charges
* Provided documentation and evidence that we have given our customers sufficient notice of the fee via letter and on invoices
* Included this in our Terms and Conditions