

ACMA has released a report of its assessment of compliance by carriage service providers (CSPs) with the important financial hardship provisions of the Telecommunications Consumer Protection Code (the TCP Code).

ACMA releases final report on financial hardship requirements for carriage service providers

This report is the first in a series of compliance assessments. Others to be released soon will concern industry compliance with the complaints-handling and direct debit requirements of the TCP Code.

The financial hardship assessment was undertaken in response to a request from ACMA's Consumer Consultative Forum. The TCP Code requirements relating to financial hardship are a vital consumer protection for those facing temporary financial hardship, and particularly timely in the current economic climate and for those consumers affected by recent natural disasters such as the Victorian bushfires and Queensland floods.

The TCP Code requires CSPs to have a financial hardship policy (FHP) and to assess on request a customer's eligibility for help under it, taking into account individual circumstances.

ACMA initially requested information from 44 CSPs chosen on the basis of previous ACMA compliance work; however, four were discovered to have gone into administration.

FINDINGS

Of the 40 respondent providers, 38 were assessed as having FHPs complying with the TCP Code, while the other two no longer have Australian telecommunications customers. Of the 38 CSPs with compliant FHPs, ACMA found that 23 had FHPs of a high standard on first receipt of information.

All compliant CSPs had indicated they provided their customers with a copy of the FHP either on request, when a customer indicated they were in a state of financial hardship, or when otherwise warranted.

While each FHP is slightly different, the common elements of a best practice compliant policy were:

- a definition of financial hardship
- circumstances identified around a situation of financial hardship
- an explanation of the assessment process
- a balance of CSP and customer obligations
- staff training or credentials to assess claims
- contact details of relevant employees to obtain more information from.

ENFORCEMENT ACTION

During the compliance assessment, ACMA found two providers, BKB and Ezycall, to be non-compliant. ACMA issued formal directions to these companies under the Telecommunications Act 1997 directing them to comply with the TCP Code.

BKB now has a compliant FHP. ACMA subsequently revoked its direction to Ezycall, satisfied that it no longer provides telecommunications services to Australian customers which require it to comply with the TCP Code.

A copy of the compliance report is available on ACMA's website www.acma.gov.au (see 'ACMA news' on the home page).



Carriage Service Providers assessed

AAPT	Koala Telecom (Australia) Pty Ltd *
ACN Pacific	Logitel Communications Pty Ltd
Astron Communications & Information Services	m8 Telecom
AUSTAR United Communications Ltd	MAX Telecom
Better Telecom Pty Ltd	Optus
Big Air Group Ltd	People Telecom
BIT.net Pty Ltd *	Primus
BKB Internet Pty Ltd	SIMplus Mobile Pty Ltd
Blitz Telecom (Australia) Pty Ltd *	SOUL
Bordnet Internet Pty Ltd	TADAust
Chariot Ltd	Tas Tel
Clarus Telecom Pty Ltd	Telkom Australia *
EFTel Pty Ltd	Telstra
Engin	TPG Internet
Exetel Pty Ltd	TransACT
Ezycall #	TSN Internet
Fair Go Communications (formerly Lockyer Internet P/L) #	Unwired Australia Pty Ltd
Go Talk Pty Ltd	VIPTel
Hutchison 3G	Virgin Mobile
iiNet	Vodafone Australia
Internode Systems Pty Ltd	Web Ace
iTel Community Telco	Westnet Pty Ltd

* These companies were no longer in business.

The business operations of this company no longer required it to be compliant with the relevant requirements.