



**Tuesday, November 8, 2011**

## **Mobile phone issues drive record number of consumer complaints to the TIO**

The Telecommunications Industry Ombudsman (TIO) received 197,682 new complaints in 2010-11, an increase of almost 18 per cent on the previous year.

The 2011 TIO Annual Report, released online today, attributes the rise to mobile phone service faults and increased smart phones use.

“The record number of complaints made to the TIO is disappointing. Customers who have complained to us have been frustrated not only by mobile telephone problems, but also by deficient customer service and complaint handling,” Ombudsman Simon Cohen said.

More than half the new complaints received by the TIO (over 112,000) were about mobile phone services, an increase of 51 per cent from the previous year. Of these, more than 32,000 were about Vodafone, almost tripling the number of its new mobile phone complaints when compared to the previous year.

The most common mobile phone complaint issue was about service faults, with 56,475 new complaints made to the TIO, a 180 per cent increase. Consumers were most concerned about poor mobile coverage and service drop-outs.

Many of the remaining new mobile phone complaints could be attributed to inadequate information provided to consumers about the costs associated with smart phones and related billing disputes. For example, we recorded a 26 per cent increase (to 4,222) in disputes about internet charges on mobile service.

“There has also been an alarming increase in the number of consumers with high debts because they could not monitor their usage adequately, the majority using mobile phones,” Mr Cohen said. Of the 10,469 issues reported to the TIO about inadequate spend controls, 7,844 were exclusively about mobile services – an increase of 119 per cent compared to the previous year.

“It is in everyone’s interest to make sure there are effective and easy-to-use monitoring tools available to consumers to track their own usage. Service providers should also monitor customers’ usage and notify them if they are accruing unexpectedly high bills to avoid people not being able to pay their bills and facing credit and debt collection problems as a result,” Mr Cohen said.

Complaints about landline, internet and mobile premium services (MPS) all reduced in 2010-11.

*“providing independent, just, informal and speedy resolution of complaints”*

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“MPS complaints are down almost 50 per cent, which reflects positively on stronger government and industry regulation,” Mr Cohen said.

Investigations by the TIO also reduced in 2010-11, despite the sharp increase in new complaints, demonstrating the effectiveness of the TIO’s referral and conciliation processes. “These are positive signs which demonstrate that service providers are responsive when the TIO is involved in complaints,” Mr Cohen said.

The TIO Annual Report is online at <http://www.tio.com.au/annualreport>. Video and audio media grabs are available at [www.tio.com.au/about-us/are-you-a/media-worker](http://www.tio.com.au/about-us/are-you-a/media-worker)

**For further information, please phone TIO Communication Manager, Mirjana Jovetic, on (03) 8600 8378 or 0428 023 536.**

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## TIO Annual Report 2010-11 Fast Facts

- Record number of 197,682 new complaints, an almost 18% increase on previous year. This reversed the almost 5 per cent decrease in new complaints we reported in 2009-10.
- New complaints about Vodafone mobile services almost tripled to over 32,000, peaking in January 2011 (more than 5,700). While Vodafone complaints took a downward turn in February 2011 (more than 4,200), their complaint levels in June 2011 (almost 2,800) were still more than double the number received in June 2010.
- A 180% increase in the number of issues brought to us about mobile phone faults (about 56,000). The two most common complaints in this area include poor coverage (28,634 issues or a 609.6% increase) and dropouts 6,941 issues or a 482.8% increase).
- Issues related to smart phones rise, such as a 26 per cent increase in disputes about internet charges. Other smart phone disputes include:
  - Complaints about the bill total (10,425 issues or a 52% increase),
  - Complaints about early termination fees (5,748 issues or a 9.6% increase)
- Customer service and complaint handling issues continued to impact on consumers, including:
  - Inadequate time and quality of attention given to consumers – almost 51,000 consumers mentioned this as an issue in their complaint
  - Service providers not acting on the promises they make – almost 42,300 consumers mentioned this as an issue in their complaint.
- New complaints about high debt and bill shock continue to rise.
  - Complaints about disconnections and suspensions without notice have increased 11 per cent to 5,834
  - Complaints about collection agents have increased 2 per cent to 5,430
  - Default listing complaints are also increasing – including complaints about the listing of disputed debts (up 27 per cent to 3,688) and listing without notice (up 13 per cent to 3,217).
- Internet services (wired such as home ADSL or wireless internet such as dongles) are down 13 per cent to 37,092. This may be attributable in part to more affordable

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internet plans with generous data allowances, either as part of bundled packages or standalone deals, now being offered by the industry.

- Complaints about landline services have had a small decline of 1.7 per cent coinciding with a decline in overall landline subscriptions.
- New complaints about mobile premium services (MPS) are down 45.6 per cent to 2,174, reflecting stronger regulation and self-regulation of these services.
- TIO investigated 20,635 cases, a decrease of 14.8 per cent. The decrease highlights the effectiveness of the TIO's referral and conciliation processes.
- The TIO continued to meet the needs of consumers who contacted us during an unprecedented period of demand. The level of overall satisfaction with our complaint handling was 93 per cent among consumers we surveyed in February 2011.

*For your information, the TIO has received a number of media requests relating to Yellow Pages and costs/content of iPhone applications. We do not have jurisdiction in these areas. As a courtesy to consumers, we refer complaints about Yellow Pages to Sensis, but we do not investigate them. Please refer these requests to Consumer Affairs or Fair Trading.*

**For further information, please phone the TIO's Communications Manager, Mirjana Jovetic, on (03) 8600 8378 or 0428 023 536.**

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