

STATEMENT

What works well

- FinCap noted that the TDR published position statements, which is good practice for a dispute resolution scheme.

What could be improved

- FinCap thinks there is a lack of awareness around the TDR, as the scheme is has not been mentioned by any of the Financial Mentors that a FinCap staff member has had detailed discussions on telecommunication issues with.
- The lack of awareness seems to be partly because telecommunications providers do not mention or do not sufficiently mention the existence of the TDR to their customers (for example when consumers sign up to a telecommunications service).
- FinCap submitted the view that there is not enough targeted community engagement by TDR, but noted that this applies across all disputes resolution providers, not just the TDR. Most communications seem to be directed towards members (ie providers), not the public.
- FinCap considers outreach is the way to get to the most vulnerable consumers. For example, in Australia, Aboriginal community outreach achieved positive outcome in terms of access to electricity and telecommunications services.
- FinCap submitted that the TDR's website did not give enough information for consumers to know whether to raise a complaint or not. For example, it is not apparent from the TDR's website whether TDR deals with debt collection issues, or even before the debt is handed over to a debt collector (eg the consumer has been notified of the debt but cannot agree a payment plan with the provider).
- FinCap noted the importance of clear position statements, as position statements:
 - help consumers and their support workers to understand their rights and may incentivise them raising a complaint
 - incentivise providers to comply with their obligations and to 'do the right thing'
 - increase consumers' confidence in the dispute resolution system

FinCap noted the following about the TDR's position statements:

- no existing position statement around reasonable fees and misrepresentations from sales persons;
- position statement on disconnection seems to offer very limited protection. For example, it seems to be acceptable for a telecommunications provider to give only a five days' notice to a consumer before disconnecting them, and there is no requirement for the telecommunications provider to give that notice using the consumer's preferred method of contact;
- existing position statements seem unlikely to help achieve a fair outcome for consumers. For example:
 - back billing seems to be accepted for a significant number of years, even without any prior communications between the telecommunications provider and the consumer;
 - breakage fees and reconnection fees disputes assessment seem to link back to the contract between the telecommunications provider and the consumer, instead of assessing whether the fees mentioned in the contract are reasonable in the first place.
- FinCap submitted the view that an efficient dispute resolution scheme would improve competition by creating the right incentives for providers.
- FinCap would like to see some initiatives from TDR to encourage telecommunications providers to have consistent financial hardship practices, that financial mentors could engage with and refer to.

- FinCap considers the following changes to the TDR would make the biggest impact for the benefit of consumers:
 - Community engagement to improve awareness of the scheme
 - More outreach work, in particular towards vulnerable consumers
 - Referral systems with consumer groups
 - Robust monitoring through the scheme that feeds into policy development
 - Identification of systemic issues within industry
 - Report compliance breaches to regulators
 - Increased accountability of the scheme and its members
 - Name traders in position statements
 - Examples of the Energy and Water Ombudsman in Victoria as an efficient scheme, and the Fair Trading Complaints Register in New South Wales
 - More advocacy work, eg influence industry to improve outcomes for consumers
 - Better information available on the scheme's website to inform consumers of their rights
 - More powers to the TDR, for example the ability to pause/stop debt collection and to handle complaints about inappropriate financing of handsets
 - Prioritisation of complaints of consumers who are in hardship because these consumers may suffer more in the long-term (eg they might get cut off or get poor credit rating)
 - The scheme should be mandatory for telecommunications providers
- Some quotes from FinCap illustrating what could be improved include:
 - The *'need for a quick way to get in the door'* (ie quick resolution of issues directly with the provider).
 - The need for staff to be trained in identifying and dealing with consumers facing financial hardship, *'otherwise consumers may be scared of raising complaints'* (eg scared of the stigma and to get a bad credit rating).
 - *'Sometimes the telco will be in the right, but it doesn't mean that it addresses the problem'* (ie doing the right thing for consumer in financial hardship goes beyond quoting T&C's in contracts).
 - TDR could be the *'source of truth'* that consumers and consumer groups feel confident contacting when a dispute arise with their telecommunications provider.
 - *'There is no right to appeal within TDR, even if the consumer is not happy with the outcome'*.
 - *'Some energy schemes in Australia could be seen as the gold standard, as they empower consumers in hardship through quick turnarounds that avoid further harm from business' conduct. It seems much slower going through dispute resolutions in Aotearoa in all industries including telecommunications.'*

Other points

- Issues with telecommunications providers are not the issues raised most often with FinCap.
- Telecommunications issues raised with FinCap are mostly related to essential services such as mobile phones.

A handwritten signature in blue ink, appearing to read 'Jake Lilley', is written over a horizontal dotted line.

Signed:

Date 17/12/20

Jake Lilley, Consumer Issues Advisor, FinCap