

24 March 2025

By email: haveyoursay@acma.gov.au

Authority Secretariat
The Australian Communications and Media Authority
PO Box 78
Belconnen ACT 2616

Dear Authority Secretariat,

ACMA Compliance Priorities 2025 – 2026

Thank you for the opportunity to provide input on the Australian Communications and Media Authority (**ACMA**) compliance priorities for the 2025-26 financial year. Consumer Action Law Centre (**Consumer Action**) and Westjustice consider the ACMA's compliance and enforcement remit as integral to protecting users of telecommunications services, particularly as it relates to consumers experiencing vulnerability.

Overall, we support the ACMA's current compliance and enforcement priorities and recommend they are extended into 2025-26 as there is more work to be done in these priority areas. This support extends to both the 2024-25 priority compliance areas, and the enduring compliance areas.

In relation to the questions for consideration from the Consultation Paper, our response focuses on the extension of two 2024-25 compliance priorities, those being:

- Protecting telco customers experiencing financial hardship
- Supporting telco customers experiencing domestic and family violence

Both of these issues continue to arise regularly on our frontline services, and we see the substantial harm caused to consumers due to non-compliance by the telecommunications industry. We also note ongoing issues relating to mis-selling in our casework. As such, we suggest this issue could either be added as a standalone priority issue in 2025-26 or, failing that, could be more explicitly referenced under existing priorities.

Extension of 2024-25 compliance priority areas

As noted above, our organisations strongly support the 2024-25 priority compliance areas relating to 'Protecting telco customers experiencing financial hardship' and 'Supporting telco customers experiencing domestic and family violence' continuing into 2025-26, being areas:

- of significant public interest and concern
- in which there are existing examples of non-compliance causing harm to consumers, and opportunities for the ACMA to encourage compliance (or deter non-compliance) through its work

- that are subject to new legislation, enforcement powers and/or regulation.

We note that these reasons align with the factors that the ACMA have considered when setting previous annual compliance priorities,¹ and we submit that the ACMA should therefore continue to prioritise compliance work in these areas. We provide more detailed comment on the extension of these priority areas below.

Protecting telco customers experiencing financial hardship

It is widely accepted that telecommunications services are essential services. Strong regulation is therefore critical to ensure all people can access telco services and vulnerability and hardship is supported. Through our casework services, both of our organisations continue to assist people who have not received formal hardship support, or where support has not been adequately tailored to the person's individual circumstances. Zoe's story is illustrative of the continued issues we see through our frontline services:

Consumer Action Law Centre and Family Life Financial Counselling case study – Zoe's story

Zoe is a single mother who was placed into severe financial hardship after fleeing a relationship of severe family violence which required a full police intervention order for her protection. As a result, she was struggling to make payments to a major telco for her phone plan and an add-on insurance/warranty-like product attached to the phone.

Zoe's phone had been damaged and was not working. She had thought the add-on product she was paying for would have covered the cost of any repairs to the phone. Zoe states that when she purchased the phone the telco pushed her to buy the additional product, with the telco sales representative saying words to the effect of "you would be crazy not to get it in case you damage your phone." She was also never told by the telco that she would have to pay additional charges to use this poor value product. Because she was not able to afford the additional fees to fix her phone she was needing to use an older phone, owned by her abusive ex-partner.

Around mid-2024 Zoe contacted her telco for financial hardship assistance, but this was declined by the telco. She then sought independent financial counselling assistance. Zoe's financial counsellor provided further details to the telco about her situation of family violence, including that she had no choice but to keep using the perpetrator's old phone.

Zoe's financial counsellor asked the telco if they could assist with her safety by repairing her own phone via the insurance/warranty-like product that she had been making instalment payments towards for a number of years totalling more than \$300. The telco said that was not possible and insisted that she would either have to pay a few hundred dollars more to use the product and remain in an unaffordable contractual agreement with the telco, or she could move to prepaid without any phone repairs, which was not appropriate as Zoe would then have to continue to use the perpetrator's old phone.

For more than 6 months Zoe's financial counsellor and Consumer Action's lawyer worked together to try assist Zoe obtain a suitable outcome from the telco. The financial counsellor was forced to communicate with multiple people and teams at the telco who provided incremental offers, but non that addressed Zoe's needs and would still mean she would have to keep using the perpetrator's old phone.

The matter proceeded through some stages of the Telecommunications Industry Ombudsman's complaint process and Consumer Action escalated it again via the highest levels of management

¹ Australian Communications and Media Authority, *Compliance priorities 2025-26: Consultation Paper*, February 2025, p.1.

within the telco. Finally, in March 2025, a suitable resolution was offered to Zoe by the telco to address both her financial hardship and safety.

**Not her real name*

Such concerning cases of continued non-compliance and the resulting harms to consumers, including from the intersection between mis-selling, domestic and family violence and financial hardship, warrant the ACMA making protection of telco customers experiencing financial hardship a priority compliance and enforcement area in 2025-26. Support by business for people experiencing financial hardship is also an area of particular public interest and concern given the ongoing cost-of-living crisis.

With the *Telecommunications (Financial Hardship) Industry Standard 2024* coming into effect 12 months ago on 29 March 2024, it should be a priority to ensure that providers are taking the new obligations seriously and to accurately gauge how they are being implemented in practice. In our view, the ACMA retaining and expanding this area in 2025-26 will make clear to telco providers of the importance of providing adequate financial hardship support to ensure consumers are able to maintain fair access to their essential telecommunications services, and will discourage non-compliance through strong enforcement action.

Supporting telco customers experiencing domestic and family violence

As is the case for people experiencing financial hardship, our organisations have continued to receive regular calls from people who have not been provided with appropriate levels of assistance from their telco providers when impacted by situations of domestic and family violence (DFV). For example, we continue to see egregious cases of mis-selling in circumstances of DFV, including telco providers allowing sales to proceed where perpetrators have coerced victim-survivors into signing up for multiple unaffordable telco products. Victim-survivors receive no benefit from these products but are left with the bill, followed by threats of restrictions when they cannot afford to pay.

The de-identified case study below, sourced from Consumer Action's legal advice line, illustrates these issues:

We recently heard from a customer who was forced to attend separate retail stores of a number of major telco providers with her ex-partner to purchase phones for his use. The customer said her ex-partner made a number of physical threats against her if she did not agree. On each occasion, sales staff suggested the purchase of multiple phones or other products that she could not afford. One of the reasons given by sales staff was to take advantage of small bulk-buy discounts. Obvious red flags were not acted upon by the sales staff, including her ex-partner doing most of the talking with his hand on her leg, and forcing her to agree to the sales with head nods. On one of the occasions, when the customer confirmed the products were not for her use, the sales staff still allowed the sale to proceed. While the customer has had no benefit of the products, she was left with the entire phone contract debts totalling almost \$10,000 which have been pursued by external debt collectors on behalf of the telco providers.

Given such practices and harms continue to blatantly occur, we strongly support this area being extended as a compliance priority for 2025-26. We note that the ACMA's consultation paper on the draft *Telecommunications (Domestic, Family and Sexual Violence Consumer Protections) Industry Standard 2025 (DFS Standard)* refers to

DFSV as an issue of 'epidemic proportions'², while the joint media release issued by the Minister for Communications and Minister for Social Services announcing the direction for the ACMA to make the DFSV Standard stated that ending DFSV is a 'national priority'³.

Consumer organisations are currently engaging in consultation with the ACMA on the development of the DFSV Standard to ensure it contains the strongest possible consumer protections. However, telco providers should already be implementing strong measures to protect those impacted by DFV in accordance with obligations under the *Telecommunications (Financial Hardship) Industry Standard 2024* and other existing laws and rules. By maintaining support for telco customers experiencing DFV as a priority area in 2025-26, the ACMA can ensure that telco providers are keeping their responsibility to protect consumers from such harms front of mind while stronger safeguards are being developed. It would send a strong message that the ACMA will not hesitate to pursue swift enforcement action where businesses are not providing the required protections.

Addressing ongoing mis-selling in the telco industry

We suggest that the 2025-26 compliance priorities would be strengthened by more explicitly addressing the issue of mis-selling by telco providers. This issue continues to present on our frontlines, with numerous people being sold products and services that they either do not need and/or cannot afford. Often these instances of mis-selling lead to and are tied in with peoples' experience of financial hardship and/or DFV.

We again draw the ACMA's attention to our submission on the 2024-25 compliance priorities.⁴ This submission detailed the types of problematic selling practices we have observed and referred to the large number of case studies contained in our systemic complaint sent to the ACMA and the Australian Competition and Consumer Commission (ACCC) in February 2024. In October 2024, the ACCC commenced enforcement action against Optus for widespread unconscionable predatory sales conduct toward vulnerable consumers⁵, coming only a few years after Telstra was fined \$50 million for similar conduct.

We maintain that proposed changes to selling and credit assessments provisions of the Telecommunications Consumer Protections (TCP) Code will do little to prevent the systemic harms created by incentivised mis-selling in the telecommunications sector. As stressed in our recent letter⁶ to the ACMA on behalf of 22 consumer organisations (the **Fair Call Coalition**) from around Australia, we agree with the ACCC, the Telecommunications Industry Ombudsman and the Australian Communications Consumer Action Network who have found that the TCP Code does not provide sufficient protections against mis-selling to warrant registration by the ACMA, and much stronger laws through direct regulation are urgently needed to protect consumers.

For these reasons, we continue to call on the ACMA to make it a top priority to investigate and take enforcement action against telco providers who engage in mis-selling. We suggest that the ACMA either add mis-selling as a standalone priority compliance area for 2025-26 or, alternatively, that the ACMA explicitly reference monitoring mis-selling under their priority areas relating to 'Protecting telco customers experiencing financial hardship' and 'Supporting telco customers experiencing domestic and family violence'. This would recognise that mis-selling and other poor sales conduct can lead to and significantly exacerbate these types of harms.

² Australian Communications and Media Authority, *Supporting telco customers experiencing domestic, family and sexual violence: Consultation on the telecommunications industry standard*, February 2025, p.1.

³ The Hon Michelle Rowland MP, Minister for Communications, *Better protections for telco customers experiencing domestic and family violence*, Joint media release with The Hon Amanda Rishworth MP, Minister for Social Services, <https://minister.infrastructure.gov.au/rowland/media-release/better-protections-telco-customers-experiencing-domestic-and-family-violence>, accessed 12 March 2025.

⁴ Consumer Action Law Centre and WEStjustice, *ACMA Compliance Priorities 2024-25*, March 2024, <https://consumeraction.org.au/wp-content/uploads/2024/03/ACMA-compliance-priorities-2024-25-27-3-24.pdf>

⁵ See: <https://www.accc.gov.au/media-release/optus-in-court-for-alleged-unconscionable-sales-and-debt-collection>

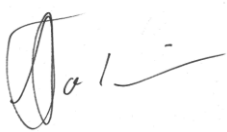
⁶ See: <https://consumeraction.org.au/throw-it-in-the-bin-telco-regulator-cannot-register-out-of-touch-industry-code-say-consumer-advocates/>

Finally, we take this opportunity to repeat our concerns outlined in the Fair Call Coalition letter to the Chair of the ACMA about the TCP Code, and our request for the ACMA to not proceed with registration of the TCP Code. We urge the ACMA to call on Government for direct regulation of all telco consumer protections, particularly those relating to credit assessment and sales practices, in line with how essential services must be regulated.

Thank you again for the opportunity to provide input on the ACMA's compliance priorities for the 2025-26 financial year. Please contact Senior Policy Officer **David Hofierka** at **Consumer Action Law Centre** on 03 9670 5088 or at david.h@consumeraction.org.au if you have any questions about this submission.

Yours Sincerely,

CONSUMER ACTION LAW CENTRE



Stephanie Tonkin | CEO, Consumer Action Law Centre

WESTJUSTICE



Melissa Hardham | CEO, Westjustice

About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

About Westjustice

Westjustice provides free legal services and financial counselling to people who live, work, or study in the cities of Wyndham, Maribyrnong and Hobsons Bay, in Melbourne's western suburbs. We have offices in Werribee and Sunshine, and outreach across the west. Our services include: legal information, advice and casework, duty lawyer services, community legal education, community projects, and law reform and advocacy.