



**Australian  
Competition &  
Consumer  
Commission**

Our ref: 51130  
Contact officer: Jayde Richmond  
Contact phone: 03 9658 6460

GPO Box 520  
Melbourne Vic 3001

Level 35, The Tower  
360 Elizabeth Street  
Melbourne Vic 3000

tel: (03) 9290 1800  
fax: (03) 9663 3699

[www.accc.gov.au](http://www.accc.gov.au)

12 June 2013

Mr Simon Cohen  
Ombudsman  
Telecommunications Industry Ombudsman  
PO Box 276 Collins Street West  
MELBOURNE VIC 8007

Dear Mr Cohen

**Telecommunications Industry Ombudsman (TIO) Consultation Paper: Publishing Comparative Complaints Data**

I refer to your letter dated 13 May 2013, to the Australian Competition and Consumer Commission (ACCC) Chairman, Mr Rod Sims, requesting comment on the TIO Consultation Paper: *Publishing Comparative Complaints Data* (the Consultation Paper). The ACCC welcomes the opportunity to comment on the Consultation Paper.

The ACCC notes that the Consultation Paper has been prepared by the TIO in response to a recommendation by the Department of Broadband, Communications and the Digital Economy (DBCDE) that the TIO 'establish metrics which outline proportional complaint handling statistics for an appropriate class of members.'

The ACCC has actively participated in a number of reviews in recent years, which have sought to improve standards in the telecommunications industry. In responding to these reviews, the ACCC has continued to highlight its ongoing commitment to ensuring greater transparency in the telecommunications sector, which includes not only the provision of accurate and transparent information by service providers to consumers, but also the availability of accurate information about the performance of service providers across the industry.

The ACCC considers that the publication of contextualised complaints data will enhance the ability of consumers to make meaningful comparisons about the performance of service providers. The ACCC also notes that the TIO scheme has an important role beyond the resolution of individual complaints, which is to provide stakeholders, industry members, and regulators with information about emerging broad-based problems that need to be addressed. Therefore, the publication of comparative data will also assist stakeholders to monitor industry performance and identify systemic or performance trends over time at a 'whole of industry' level and, more importantly, at an individual service provider level.

The ACCC's views on some of the matters raised in the Consultation Paper are outlined below:

***Proposed method to contextualise complaints data***

The ACCC supports the TIO's proposal to use services in operation information to contextualise its published complaints data. The publication of complaints data, in the context of the number of services in operation, provides an opportunity to identify and understand systemic issues and trends across industry, by individual service providers and/or in relation to particular service types. This data is also useful to regulators when assessing issues in particular industries in the context of their compliance and enforcement priorities or policies.

The ACCC considers that the publication of data by services in operation should be distinguished by service type (for example, landline, mobile, telephony and internet) to enable more accurate problem identification and trends across particular services. The ACCC notes that this approach is similar to that adopted by the Financial Ombudsman Service and the UK Office of Communications (Ofcom), and would provide more meaningful information to consumers about service providers' performance in relation to particular services.

The ACCC notes that the first stage of the TIO's proposed approach involves the publication of 'whole of industry' level contextualised complaints data. The ACCC considers that 'whole of industry' data has limited value, in particular because it does not assist consumers to make informed choices based on the performance of service providers. While 'whole of industry' contextualised data can provide an indication of the status and health of the overall industry, it is also of limited benefit to regulators in identifying specific services, or particular businesses, where broader problems exist. The ACCC considers that it is important that the TIO is able to publish comparative data by service provider, as well as 'whole of industry' data, as soon as possible, preferably in the first year.

We also note that the Consultation Paper proposes to provide contextualised complaints data only in relation to the top 10 of the top 25 service providers. The ACCC considers that when publishing complaints data by service provider, the TIO should publish the contextualised data for *all* of the providers that are referred to in the publication. Apart from being a more equitable method of reporting about the complaints received by service providers, it will also enable a more global analysis of the types of issues that are impacting industry and consumers.

***Proposed method to obtain services in operation data***

The ACCC considers that the method employed to obtain this data should be sufficiently rigorous to ensure that the data used to provide context to the TIO complaints data is accurate, consistent and fair.

The ACCC is concerned that any method used to obtain this data which involves a range of different sources may be problematic. Data obtained from the range of sources referred to in the Consultation Paper (ACMA, Australian Bureau of Statistics and public information such as Annual Reports) may not always be complete, may not have been collected at the same point in time, and may not have been collected using similar categories as that used by the TIO.

Therefore, the ACCC considers the preferred approach is for the TIO to obtain data directly from service providers. The ACCC notes that where similar schemes have been introduced in other jurisdictions, there is a requirement for providers to supply data about business size to the scheme either as a condition of membership or as a statutory requirement. The ACCC considers that it should be mandatory for providers to supply this information to the TIO as a condition of membership.

It is expected that businesses would typically be collating such information as part of their standard operating practices. For example, it is expected that service providers would currently analyse and report regularly on services in operation, including across different service types, for the purposes of informing management about (among other things) resource allocation; provisioning; sales and marketing activities and complaints or problem identification.

To facilitate this approach, the ACCC supports the proposal for amending the TIO's Constitution to make reporting service data mandatory for TIO members. Recognising that this amendment may take some time to implement, the ACCC supports an interim arrangement for the collection of data by the TIO from service providers directly, by agreement, through the adoption of a survey type questionnaire.

#### *Timeliness of publication*

The ACCC supports the proposal to publish comparative complaints data on an annual basis, although notes that for some large service providers there can be substantial changes to the number of services in operation within a twelve month period. For example, there can be variations, such as increases or decreases of 100,000 or more services, for Telstra, Optus and Vodafone on a quarterly basis. The ACCC suggests that when comparative data is published, the TIO also clearly publishes the date for which the number of services in operation information is relevant.

The ACCC also notes that the Consultation Paper provides information about the model adopted by the Better Business Bureau located in the USA. This model enables access to data *on demand* through individual member profiles. The ACCC sees merit in consideration of this approach in the future, as it enables access to data and comparative information on an as needs basis by regulators, consumers and other stakeholders.

We thank you for the opportunity to provide feedback on the Consultation Paper. If you have any questions regarding the comments provided above, or would like to discuss this matter with us further, please contact Jayde Richmond on (03) 9658 6460 or Paul Zawa on (03) 9290 1860.

Yours sincerely



Paul Zawa  
General Manager  
Enforcement Operations Victoria