



A report on complaints to the TIO about Customer Service and Complaint Handling for the period 1 January – 30 June 2009



Telecommunications
Industry
Ombudsman

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TELECOMMUNICATIONS
INDUSTRY OMBUDSMAN



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Background

Every week, the Telecommunications Industry Ombudsman's office receives thousands of calls from mainly residential consumers from all over Australia with queries or complaints about their telecommunications services – mobile, landline or internet.

→ WHILE THE **connect.resolve** SPOTLIGHT HAD A SIX MONTH TIMEFRAME, FROM THE TIO'S PERSPECTIVE, THIS WILL REMAIN A PRIMARY FOCUS OVER THE YEAR AHEAD...

Over the past two to three years, more and more of these callers have been telling us about their frustration and concern at being given the run around by their service provider, or about feeling let down because actions promised were not followed through.

The increasing percentage of customer service-related complaints was the catalyst for what became the TIO's connect.resolve campaign.

The TIO's Enquiry Officers, who deal with these complaints every day, wanted to make sure that as an Ombudsman scheme we highlighted this pattern of complaints to the industry. More important, however, was our desire that the industry responded to its customers' concerns. When asked what message they wanted to send back to the telecommunications industry, TIO staff said they wanted to see the industry "connect with their customers and resolve their concerns fairly and efficiently".

The simplicity of the **connect.resolve** message is intentional, because at the TIO we see these customer service complaints as being ones that can be in the main resolved simply and expeditiously.

At the inception of the campaign, the TIO focused on a collaborative approach, looking at ways we could work with our member companies individually, with the peak industry body, with the regulators and the policy makers, so that the focus on better customer service and complaint handling became a shared objective.

The results of the campaign's six month life are collected in this report. Real consumer voices are used to highlight common experiences. Complaint numbers for our ten largest members are tracked month by month, as are the predominant issues cited by consumers in their dealings with us.

Significantly, a number of the companies have given us their feedback about the impact of the campaign on their business – whether positive or negative. For some it is apparent that lessons have been learned and systems or processes adapted in order to improve their customers' experience of their service. For others, it is evident that more work is needed.

While the **connect.resolve** spotlight had a six month timeframe, from the TIO's perspective, this will remain a primary focus over the year ahead and until such time as our long term goals of a reduction in both the rate of increase of such complaints and in the actual numbers of such complaints occur.



Ombudsman's Overview



At the heart of the TIO's **connect.resolve** campaign has been the experience of the customer. For two years in a row, more than a third of TIO complaints were about poor customer service or complaint handling experiences, which typically left customers feeling that their phone or internet company did not really care about them, or did not follow through on actions promised.

The overall aim of the connect.resolve campaign, through highlighting such customer experiences, was to encourage the telecommunications industry to re-focus on customers and their experiences.

The statistics from the 6-month campaign show an overall stabilisation in complaint numbers, after almost 18 months of sustained growth. However the proportion of complaints about customer service-related matters has remained unacceptably high, and in the TIO's view the industry still has much work to do in this area.

→ SOME COMPANIES NOTE THEY HAVE MADE IMPROVEMENTS IN THEIR PROCESSES, BUT CONCEDE THAT FURTHER SUBSTANTIAL CHANGE IS NEEDED...

Through its regular monthly reports, the TIO has been highlighting specific areas of process or procedure, along with individual voices, to allow an enhanced understanding of the customer experience to the most senior levels of the companies concerned. The written responses to **connect.resolve** – contained in the following pages – show how some of our major companies have stepped up to the challenge.

Some companies note they have made improvements in their processes, but concede that further substantial change is needed if we are to see this reflected in the customer experience and in a commensurate decrease in the number of complaints.

However, in order to achieve a sustainable improvement, the collaborative effort that has been initiated through connect.resolve, involving telecommunications companies, regulators, policy makers and key consumer and industry groups, needs to continue.

The **connect.resolve** campaign was the TIO's call to action to the industry - all indications are that it has heard that call. However much remains to be done if consumers are to be convinced their voices are also being heard.

This is where the TIO's independent, whole of industry perspective can add value by reporting trends, highlighting concerns and ensuring that these issues remain at the forefront of industry thinking.

Ultimately, the whole community will benefit from knowing that the Australian telecommunications industry is responsive to its customers – that it does connect with them and resolve any differences they may have. This is the objective we must continue to strive towards.

NEXT STEPS

The TIO remains committed to working towards better outcomes for consumers through an improvement in the telecommunications industry's customer service and complaint handling practices.

We will therefore continue to report on these complaints each quarter in our TIO Talks newsletter, along with relevant customer voices and case studies, on an individual and an aggregate basis.

We will continue to offer complaint handling training, guidelines and assistance to our members, and to industry and consumer groups.

We will also continue to work with our members to provide them with complaint data that helps them to better understand what their customers are telling the TIO and thus to deal with these issues more promptly and effectively.

Importantly, the industry has committed to finding ways to improve its customer service through initiatives of Communications Alliance, such as its forthcoming Customer Service summit, and the development of customer charters.

At the individual company level, I am delighted that a number of CEOs of our largest member companies have publicly committed to continue to address customer service as a priority.

The message of **connect.resolve** remains the TIO's challenge to the industry.

Deirdre O'Donnell
Ombudsman

→ ULTIMATELY, THE WHOLE COMMUNITY WILL BENEFIT FROM KNOWING THAT THE AUSTRALIAN TELECOMMUNICATIONS INDUSTRY IS RESPONSIVE TO ITS CUSTOMERS...

Overview

During the **connect.resolve** campaign, the TIO has experienced a stabilisation in complaint numbers, as shown in the tables and graphs below.

In 2007/08, complaints to the TIO increased by 46.1% and this trend continued in the first half of 2008/09. However, during the campaign, complaint numbers remained stable at about 20,000 per month and, from January to June 2009, complaints increased by only 1.8%. It is important to note this is just a snapshot, and that the trend over the next 12 months will better demonstrate the industry's commitment to reducing complaints.

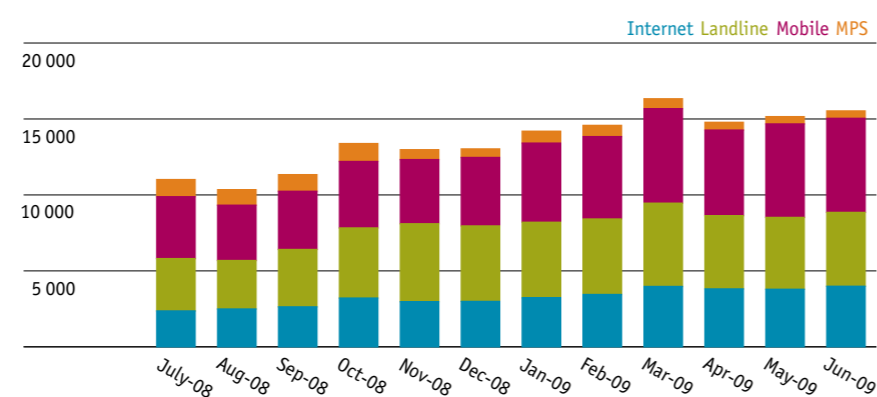
In 2007/08, 32.4% of all complaint issues were about customer service and complaint handling. Over the course of this campaign, there was a small increase - to 35.4% - in the number of these issues being recorded. These types of complaints are generally straightforward issues that a service provider should be able to resolve; for example, when a company does not fulfill a promise or a customer is transferred from one department to the next without proper assistance.

However, they are at the centre of this campaign and need to be a serious focus for the industry if it is to increase consumer confidence.

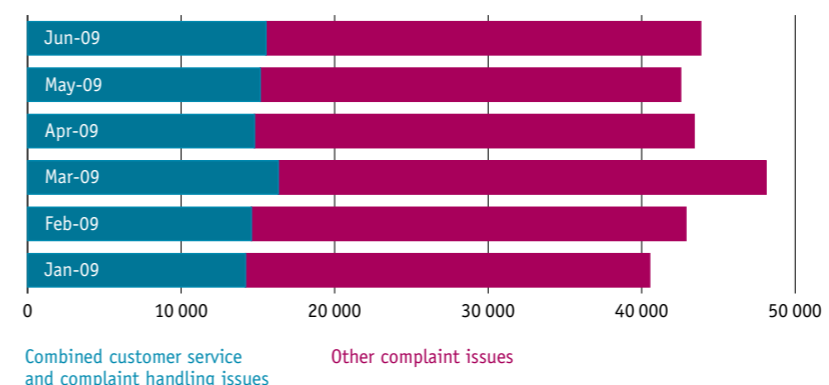
Progress Summary for Industry 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	19,895	20,855	23,380	20,965	19,675	20,248	+1.8%
Complaint issues	40,523	42,882	48,104	43,419	42,540	43,847	+8.2%
Customer service complaint issues	7,713	7,532	9,024	8,896	8,989	8,979	+16.4%
Complaint handling complaint issues	6,481	7,046	7,306	5,884	6,165	6,551	+1.1%
Combined customer service & complaint handling issues	14,194	14,578	16,330	14,780	15,154	15,530	+9.4%

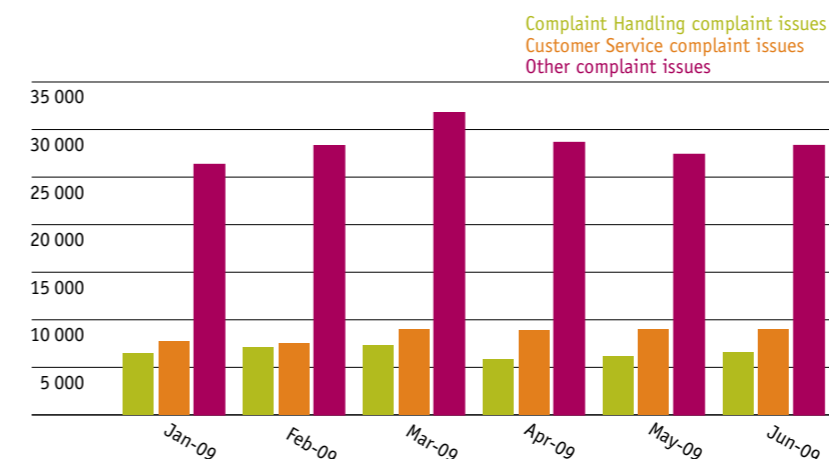
Combined customer service and complaint handling complaint issues – by service type (by month)



Proportion of combined customer service and complaint handling issues against all other complaint issues for Industry



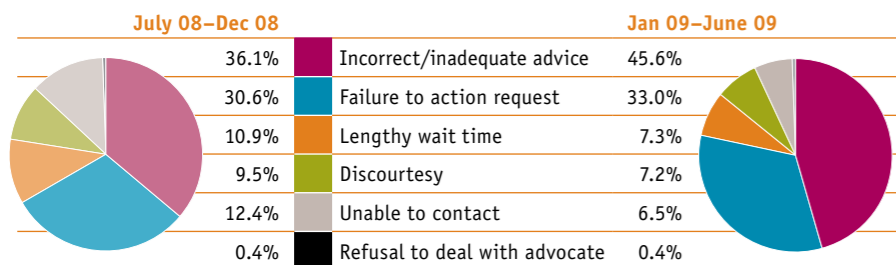
Comparison of customer service and complaint handling complaint issues against other complaint issues for Industry



The TIO classifies complaints according to a) the type of service utilised or purchased by the consumer – an internet, landline, mobile or mobile premium service, and b) the issue the consumer claims to have experienced with the service – for example, billing & payments, faults, or customer service. Every complaint involves a service type and for each service type there is at least one complaint issue. Some complaints can involve multiple issues – for example, a complaint about a delay in rectifying a faulty landline service may also involve a claim that the complaint about this fault was not acknowledged.



Categories of customer service complaint issues



The TIO classifies customer service complaints in several different categories, including 'incorrect/inadequate advice', 'unable to contact', 'failure to action request' and 'lengthy wait time'. The prominent issues for consumers continue to be 'incorrect/inadequate advice' and 'failure to action request'. These two categories appear consistently across all TIO members and are therefore the key areas of concern for the industry.

Categories of complaint handling complaint issues



Similarly, complaint handling complaint issues are broken down into categories including 'failure to action undertakings', 'failure to escalate', 'failure to record a complaint' and 'failure to assist'. The most significant issues in this category continue to be the first three.

Overview

The TIO and AAPT have a long history of open and constructive communication and this continued during the campaign. AAPT has a strong focus on complaints management and monitoring which allows it to analyse complaint issues and their causes. The confidence AAPT has in its own procedures is reflected by the fact it provides TIO contact information on all its bills.

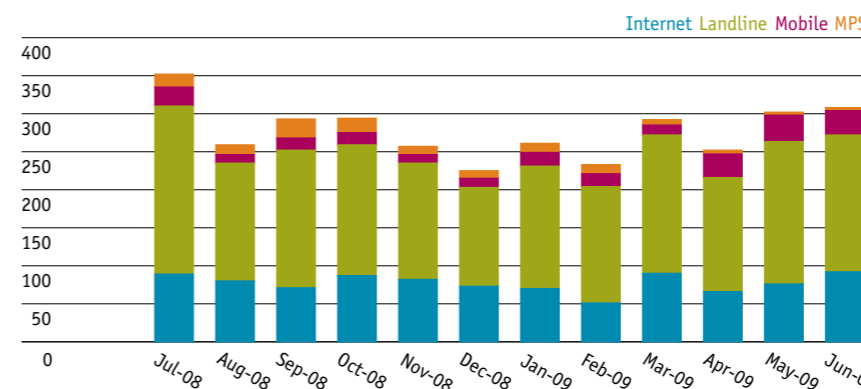
AAPT's overall complaint numbers increased slightly from January to June - up 6.3%, from 430 to 457. Customer service issues increased at a similar rate, but complaint handling issues increased by 43.0%. Although this is a sharp rise, the numbers are comparatively low.

In June 2009, combined customer service and complaint handling issues comprised 32.2% of all issues logged against AAPT, which is below the industry level.

Progress Summary AAPT 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	430	440	501	427	403	457	+6.3%
Complaint issues	800	846	923	820	832	957	+19.6%
Customer service complaint issues	168	129	172	163	192	175	+4.2%
Complaint handling complaint issues	93	104	120	89	110	133	+43.0%
Combined customer service & complaint handling issues	261	233	292	252	302	308	+18.0%

Combined customer service and complaint handling complaint issues – by service type (by month)



I WANT THEM TO DO WHAT WAS ORIGINALLY ORGANISED...

After I applied for an internet and home phone package, AAPT emailed to say they could not provide the package. But after I got the email I received a bill from AAPT.

When I rang them they said that they had connected the home phone and I had to pay the connection fee. I paid this despite protesting about paying a connection fee when they could not provide the full service package.

I am still continuing to get bills and have spoken to customer service every month. They advise me that it will be fixed, but now I am receiving letters of demand.





I'VE ASKED 6 TIMES...

I have requested a copy of the correspondence on my file, as I believe that AAPT has placed a default on my credit file in error.

I have asked approximately 6 times, by telephone and email, but AAPT has not forwarded the information to me.



MY BILLS ARE WRONG...

The bills I got from AAPT were wrong, so I rang AAPT. They agreed there was an error and that it would be fixed and show as a credit on a bill issued the next month.

I got that bill and saw that the error was still appearing on the account. Now I've just had a call from AAPT saying that I have to pay the amount in question otherwise the bill will go to a debt collector.

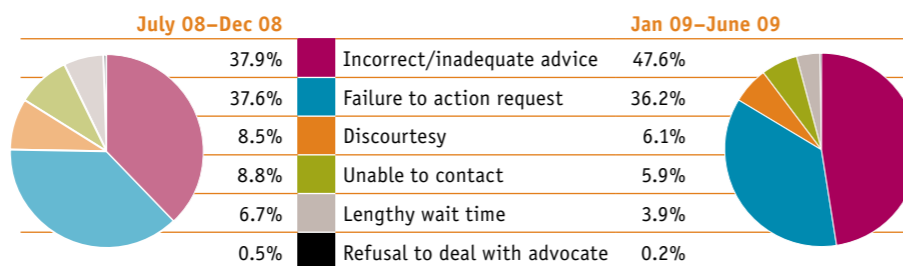
MAJOR ISSUES

Customer service complaint issues against AAPT related mostly to 'incorrect/inadequate advice', as is the case across the industry. The second largest category of complaint was 'failure to action request', which relates to simple cases where a service provider has not fulfilled a commitment.

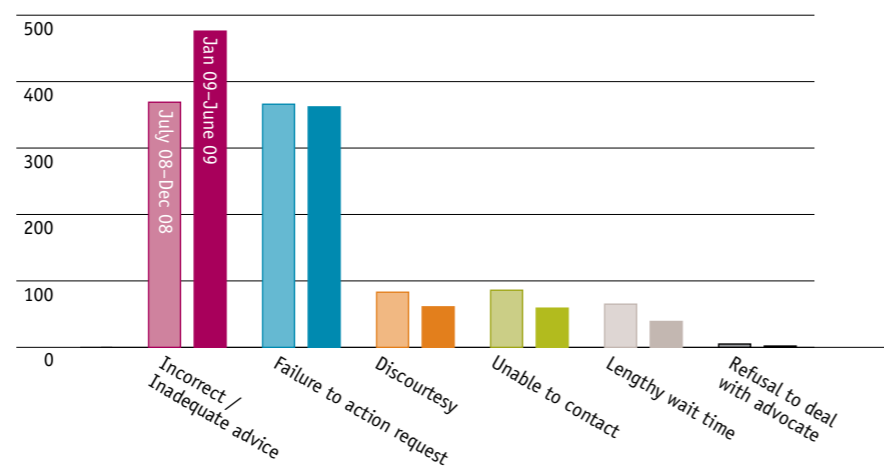
In terms of complaint handling issues, 'failure to action undertakings' makes up 48.5% of all AAPT's issues and has increased. This type of complaint is often easy to resolve through robust complaint handling procedures and should not feature strongly in the TIO's complaint data.

All other complaint categories in this section were down on the previous six months, including 'failure to escalate' and 'failure to advise outcomes'.

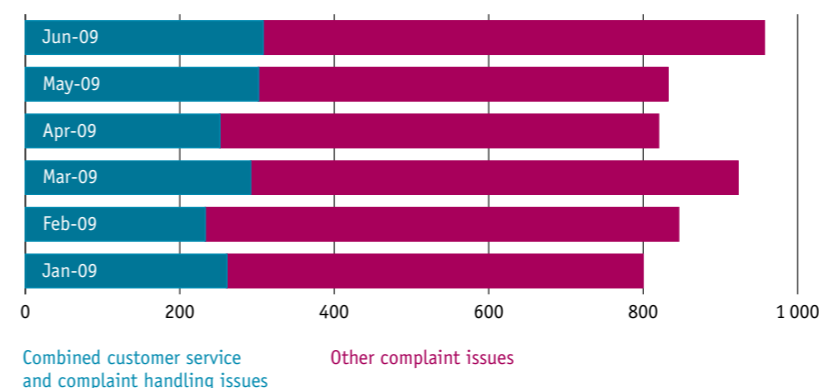
Categories of customer service complaint issues



Breakdown of customer service complaint issue categories



Proportion of combined customer service and complaint handling issues against all other complaint issues for AAPT



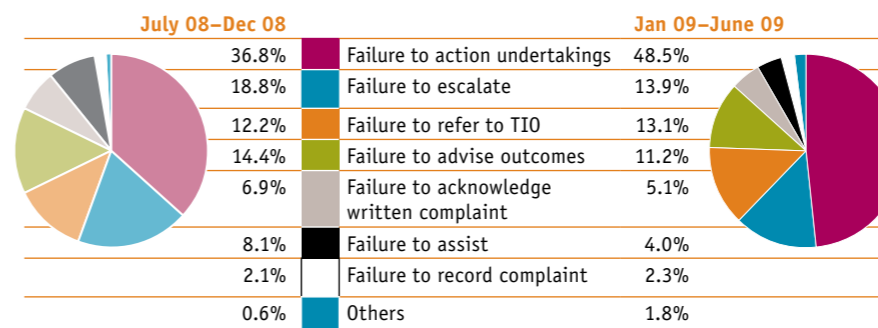
I CAN'T CANCEL MY DIRECT DEBIT...

After I asked AAPT to cancel my direct debit facility, the company direct debited 3 payments totalling almost \$150. I called AAPT and they said they would refund the direct debit amounts. They then said that I owed them cancellation charges. I said that I had NOT cancelled any services; just cancelled my direct debit.

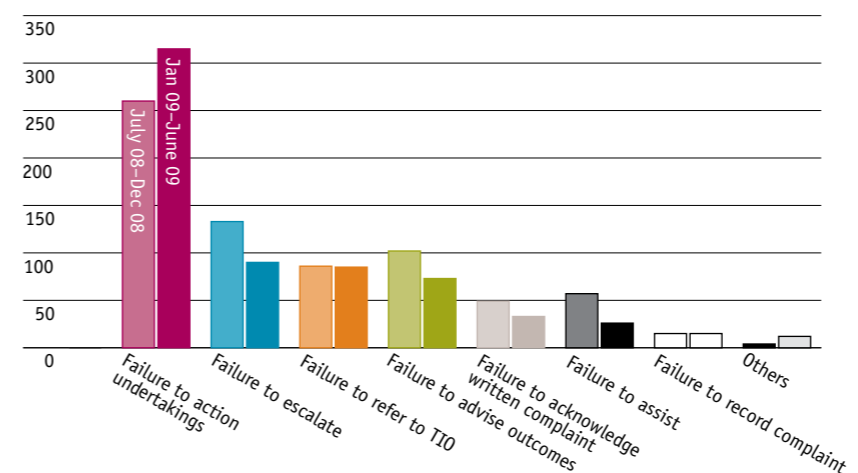
So far AAPT has only refunded about one third of the payments.



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories





I CAN'T GET THROUGH...

I'm paying AAPT via direct debit but I get charged fees for doing this. I want to change my payment method but I've been unable to contact AAPT's customer service department to do this.



FROM THE CEO:

AAPT strongly supports the TIO's connect.resolve campaign and its move to encourage service providers to deliver better customer service to Australian consumers.

In a complex industry requiring participants to interact with each other on a daily basis, the quality of processes, systems and people are constantly put to the test. It's reasonable to expect that consumers should be able to contact their service provider and have their issues/questions answered or resolved in a timely manner.

AAPT acknowledges that consumers may not always agree with the service provider. However, we believe it's our responsibility to our customers to promote a fair and straight-forward process for the resolution of complaints.

As far as I am aware, AAPT is the only service provider that refers to the TIO and its contact details on monthly invoices, providing customers with a link to an alternative and independent organisation to seek advice and assistance.

This links closely to our recent regulatory submission demanding better outcomes for consumers. AAPT is specifically calling for a mandated 'fast-churn' process for all broadband providers, including Telstra and Optus, a critical enabler to competition and freedom of choice for customers.

The information the TIO provided us during the connect.resolve campaign has been excellent and, combined with our own internal resource, has assisted us in identifying specific areas for improvement.

AAPT will continue to work closely with the TIO to improve service outcomes for Australia consumers.

PAUL BROAD
CEO, AAPT Limited

Overview

The TIO and Dodo have communicated at a high level on a regular basis during the connect.resolve campaign. This has been an open dialogue focused on improvement. In that time, Dodo has shown a commitment to reducing TIO complaints and improving customer satisfaction.

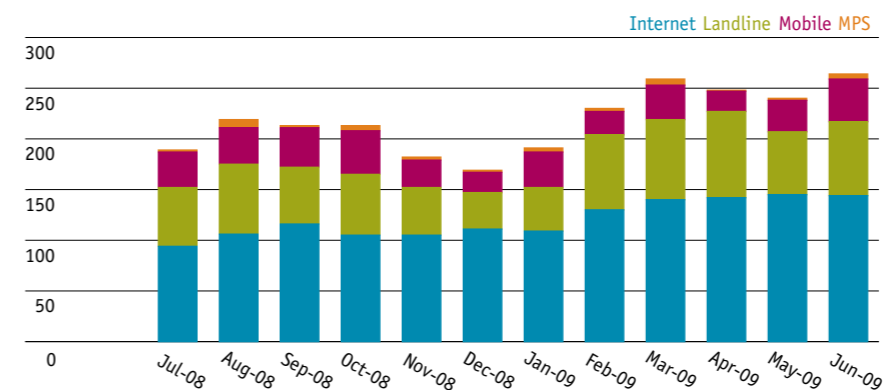
Dodo's complaint numbers increased from 283 to 377. While this represents a 33.2% increase, the numbers remain consistently low, given the company has more than 200,000 customers.

Customer service and complaint handling issues made up 31.4% of all issues logged against Dodo, which is below the industry level of 35.4%.

Progress Summary Dodo 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	283	368	428	382	355	377	+33.2%
Complaint issues	594	794	880	840	787	841	+41.6%
Customer service complaint issues	114	123	150	155	159	164	+43.9%
Complaint handling complaint issues	77	107	109	93	81	100	+29.9%
Combined customer service & complaint handling issues	191	230	259	248	240	264	+38.2%

Combined customer service and complaint handling complaint issues – by service type (by month)



EACH TIME THEY'VE PROMISED...

I've been asking Dodo for an upgrade and replacement SIM since last December. I have spoken to them on several occasions from a friend's telephone, and each time they've promised to send the SIM. So far Dodo has taken \$390 out of my account for this service, but I still haven't received the SIM and can't use the service.

I have asked Dodo to refund my money but they refuse to do this until I receive the SIM card. I've also emailed them but they haven't responded. I am worried they will take another \$130 out of my bank in the middle of this month, which we cannot afford because we are pensioners.





THEY IGNORED MY MANY REQUESTS...

In October last year I completed a request for Dodo to transfer my service to another person. This did not happen and I am still being billed for the account, which has been inactive for 7 months since November last year. Dodo has ignored my many requests to cancel my account immediately and refund my money, and I have not received a single call or email.



GENERALLY UNHELPFUL...

Dodo has said it will not cancel the 9 dial-up accounts I set up 5 years ago in my capacity as accountant for the company I work for, unless it receives permission from the person named on each account. At the time I set up the accounts, I believe Dodo did not even have the option to open an account under a business name.

I've told Dodo that the individual employees had nothing to do with opening the accounts, the company's contact details are on each account, and the company pays all the bills, but Dodo's representatives have been totally unhelpful and uncompromising.



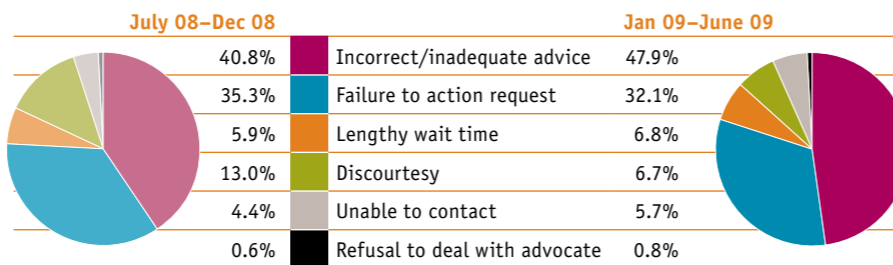
MAJOR ISSUES

The most prominent issue for Dodo is 'incorrect/inadequate advice' which comprised 47.9% of all customer service issues.

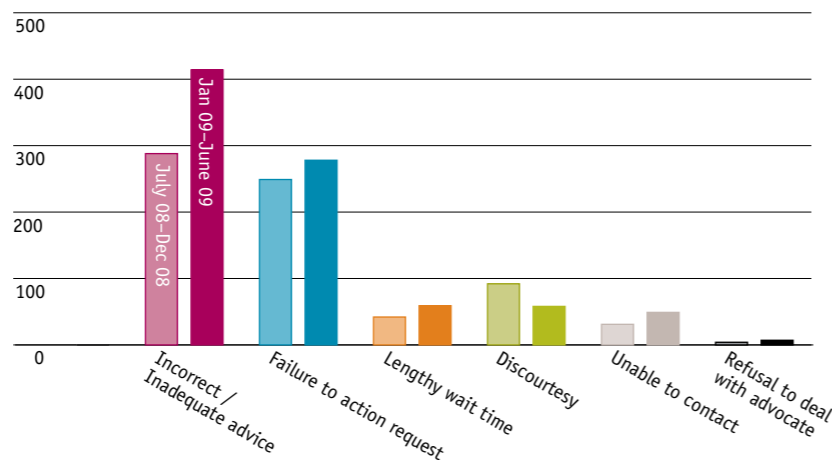
Complaints included in this category often relate to contract information given at the point of sale, or call rate and plan information associated with a current service. This is a significant proportion of Dodo's complaints and should continue to be a focus.

32.1% of customer service issues related to a 'failure to action request'. This category is often the most straightforward to resolve as it relates to a lack of follow-up. Having a customer service/complaint handling procedure in place that allows for monitoring of outcomes will usually reduce these types of complaints.

Categories of customer service complaint issues



Breakdown of customer service complaint issue categories



Proportion of combined customer service and complaint handling issues against all other complaint issues for Dodo

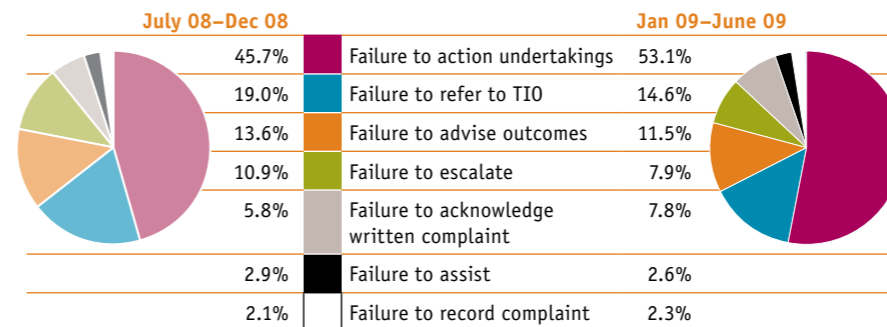


CUSTOMER SERVICE NOT OPEN...

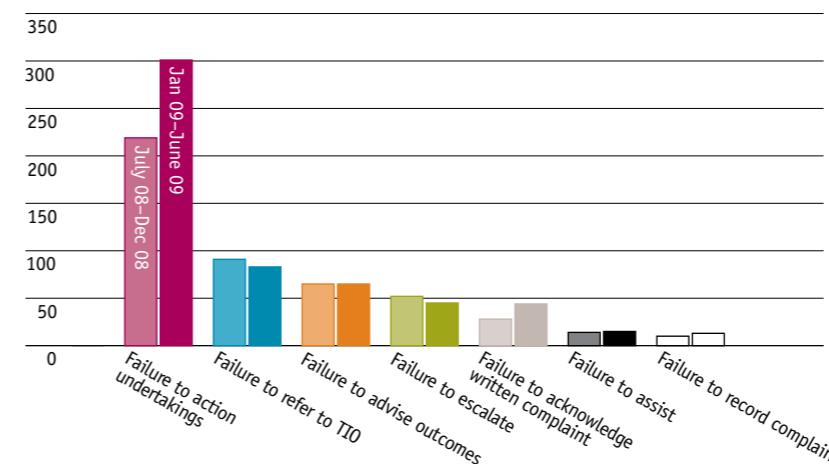
Dodo is not direct debiting charges from my account at the correct time. I got a bill saying I had 14 days to pay, but my service was restricted within 48 hours.

I spoke to a manager about all of this, and they told me to call back at 9am on a certain date. I called back at 9am, only to hear this answering message, 'Customer service is not open till 10am.'

Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories





THEY SAID THEY'D CALL BACK...

- I signed up to a 24-month landline contract with Dodo 2 years ago.
- When I called Dodo recently to change plans, they told me I was on a 36-month contract.
- After I disputed this, they said they'd get the recording and call me back. I didn't get called back so I rang again. Again they told me they'd call me back but they haven't.

FROM THE MD:

Dodo has implemented numerous in-house strategies to ensure customer issues are handled accurately, promptly, and courteously at all times in order to lower the number of issues that are initially generated. These recent initiatives have seen our overall complaints lower and our customer satisfaction greatly increase over the past months.

I personally made sure that it was clear to my team on what I considered to be an unhappy customer, and how I would like these customers concerns to be addressed. With that in mind, we undertook a complete overhaul approach, starting at the basics with our complaint handling policy, implementing a completely new complaint handling system that widened the scope of a complaint which captures any type of unsatisfied customer into the system. From this data we were able to ascertain the reasons why customers were contacting us to begin with to ensure we could perform a complete root cause analysis. From this data our operational and customer service teams have implemented processes to lower the initial complaints.

As with any business with a large customer base (of which we have over 200,000 customers), we understand some level of complaints will always surface, therefore to ensure these processes are followed accurately, promptly and with the highest level of customer service, complaints are now handled by our most senior customer service staff that have access and skills equipped to handle them in the quickest time possible.

We have also implemented regular customer satisfaction surveys, and more recently an improved communication process regarding planned and unplanned maintenance. We are also providing our team with external designed complaint handling training, which is specifically designed for call centre staff.

We are fully committed to provide the highest level of service to our customers.

Larry Kestelman
Managing Director, Dodo

Overview

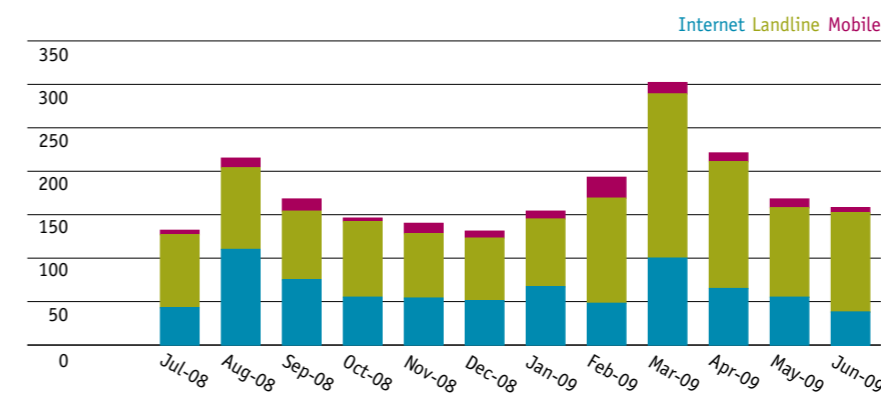
gotalk's overall complaint numbers increased by 9.1% (219 to 239) during the campaign.

Complaint handling issues were down 29.5% but customer service issues were up 35.5%. Combined customer service and complaint handling issues equated to 30.5% of all issues recorded against gotalk.

Progress Summary gotalk 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	219	271	410	296	220	239	+9.1%
Complaint issues	475	598	895	666	494	517	+8.8%
Customer service complaint issues	76	87	155	124	97	103	+35.5%
Complaint handling complaint issues	78	106	147	97	71	55	-29.5%
Combined customer service & complaint handling issues	154	193	302	221	168	158	+2.6%

Combined customer service and complaint handling complaint issues – by service type (by month)



DREADFUL PROBLEMS TRYING TO COMMUNICATE...

- Apart from the phone line problem itself, we have had dreadful problems trying to communicate with the call centre. They can't find our account in the system despite me giving them all our service numbers and reference numbers and the case numbers they've provided previously.
- Almost all of the people I have spoken to have been very rude and hard to understand, and they have found it difficult to understand me – asking me to repeat myself many times. They interrupt, cut me off and transfer me to other people with no forewarning, just putting me on hold.



THEY TOLD ME JUST TO PAY THE ACCOUNT...

I have my internet and home phone with gotalk, but the internet has not been working. I've called gotalk many times to try to resolve the issue, but can't get in contact with them. I always have to wait on hold for a long time.

Recently I received a call from them, and they said if I didn't pay my account it would be sent to debt collection. When I told them that the service wasn't working they simply told me I needed to pay.



I WAITED EACH TIME BUT NOBODY CALLED...

My gotalk VoIP service worked perfectly for 2 months but then it stopped working and I began being billed for international calls directly by my landline provider. When I approached gotalk to find out what had gone wrong they told me that it would be investigated. On 3 occasions they scheduled appointments to check the ATP adaptor settings at my home. I waited each time, but nobody called me.

I have contacted them more than 6 times during the last 2 weeks. Each time I have called, the customer service representatives seem not to care, will not listen to my side of the story, and behave rudely. At one point a supervisor promised contact but there's been none so far.

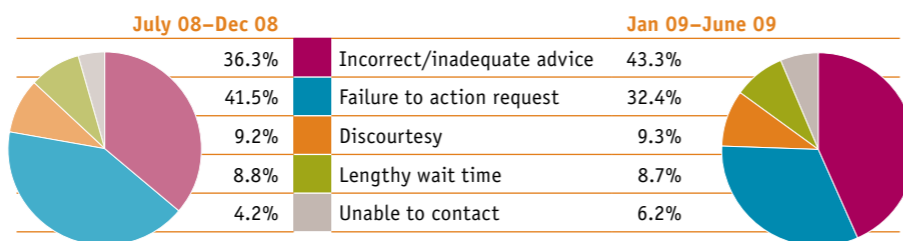


MAJOR ISSUES

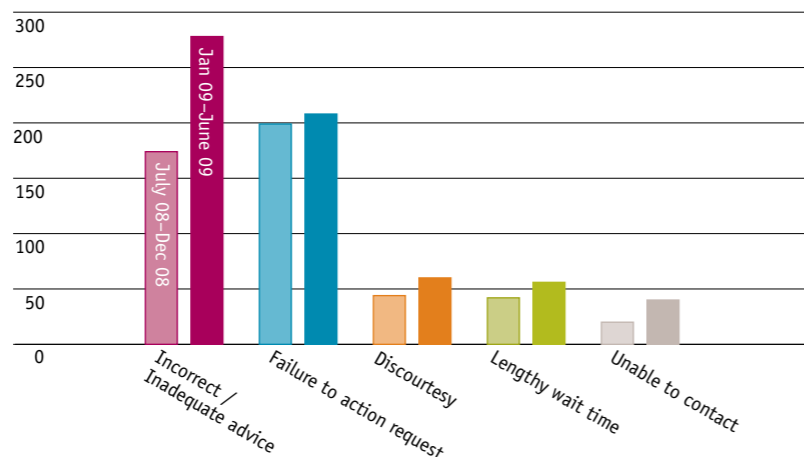
Standout customer service complaint issues for gotalk were the same as with other members, i.e. 'incorrect/inadequate advice' and 'failure to action request'. Both these issues increased during the campaign.

Just over half of all complaint handling issues recorded against gotalk related to 'failure to action undertakings'. The category 'failure to escalate' also features highly in gotalk's complaint data, making up 19.5% of all complaint handling issues recorded from January to June 2009. The TIO's experience of complaints suggests that an issue can often be resolved when a formal escalation process is in place. Complaint resolution is even more likely when staff and/or managers are empowered to resolve a customer's concerns.

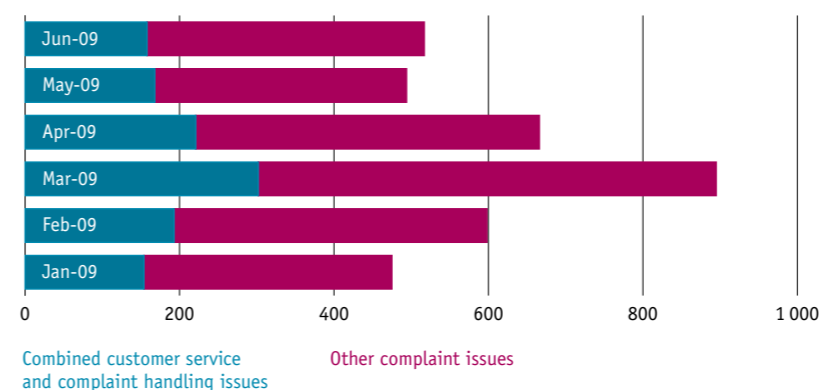
Categories of customer service complaint issues



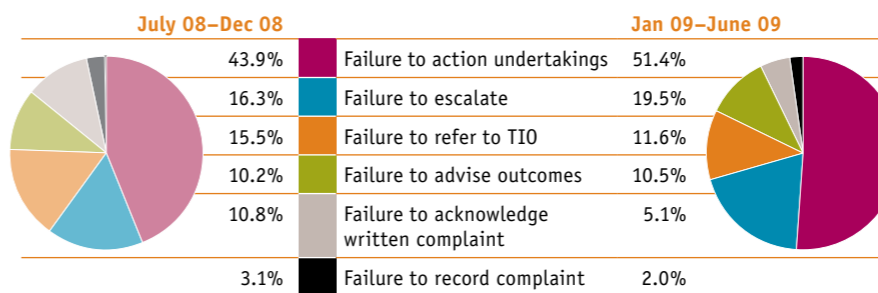
Breakdown of customer service complaint issue categories



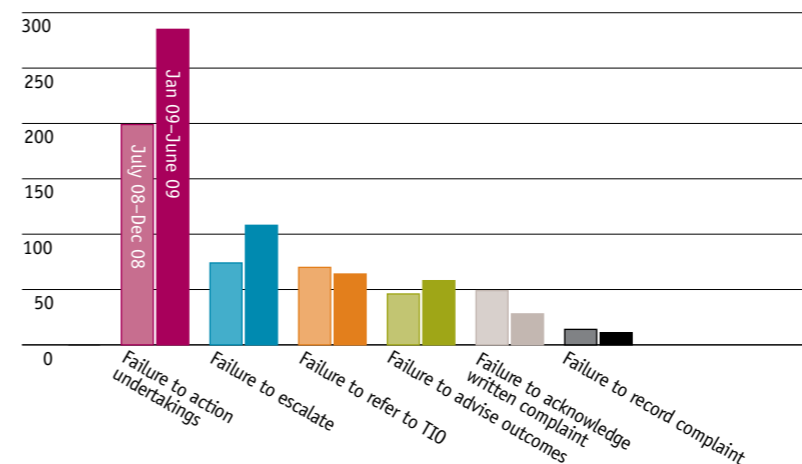
Proportion of combined customer service and complaint handling issues against all other complaint issues for gotalk



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



I'VE SPOKEN TO NUMEROUS SUPERVISORS...

When I moved house in March last year I disconnected my gotalk home and internet services and paid the termination fees. gotalk confirmed that the service had been cancelled.

Ever since then I've been receiving gotalk bills. I've called each month and they've assured me that the bill would be cancelled and that I'd receive a new bill with a zero balance, but this has never happened.

I've also spoken to numerous supervisors and been re-assured that the mistake would be rectified, but the bills still keep coming and I'm yet to receive any acknowledgement that the problem has been resolved.



I HAD TO CALL THEM 3 TIMES...

I called gotalk and agreed to a landline/internet/mobile package, but then gotalk advised me that it could not provide the mobile plan as agreed. I called them 3 times to cancel the contract, as the letter I got from them said I had a 10-day cooling off period. But then I got the equipment for the service and had to call them again.



FROM THE CEO:

1. Complaint Data: Whilst this campaign has definitely increased gotalk's awareness in regards to customer service and complaint handling, however it will be more effective if the complaint information that the TIO records is also supplied to gotalk otherwise it makes it difficult to establish where improvement mechanisms can be targeted.

2. Double Counting: The way the current report is structured it does not accurately reflect the number of issues and has the effect of exaggerating the scale of issues and/or confusing the reader. Each TIO Case can be reported multiple times across various categories such that the impression is given of much higher number of issues than there are in reality. The structure of the report needs to be adjusted to reflect the discrete case information and any duplication broken out to allow fair analysis and corrective action.

3. VoIP Not Landline: As we have discussed in the past since the TIO registers VOIP complaints under landline services, gotalk can not use the data provided by the TIO as this projects landline complaints to be over 50 % higher than the correct results. We request that VOIP and fixed Exchange Line Services are split as they are totally different services to support and therefore also differ in the profile of consumer issues.

The encouraging news is that although gotalk has increased its customer base by over 20% in 6 months with a 70-80% increase in sales our number of cases has decreased. This result has been achieved in the last 6 months against an industry trend of increased numbers.

At gotalk we are confident that the number of complaints will continue to decline as we are seeing the results of the improvements we have made to our end to end processes.

Based on the feedback that gotalk was provided from its customers and an analysis of its internal complaint data, gotalk has put a great deal of effort into becoming the kind of service provider people want to use.

The analysis of gotalk's internal complaint data resulted in some major changes such as gotalk changing the broadband network it used in order to provide faster provisioning times and more reliable service for its customers. gotalk was able to do this without it costing customers any additional costs.

gotalk also migrated its customers to an improved billing system and more user friendly website with everything possible that customer would want to see. Customers now have more options when accessing their account online and has allowed for account changes to be made in real time. We have also improved our invoice presentation making it extremely user friendly.

Last but not least gotalk also made some changes within its customers service team. After identifying that customers lacked an avenue to complain, gotalk introduced a specialist team called "the customer assurance team" whose focus is on resolving escalated complaints or disputes. Customers can request to be put through to the customer assurance team at anytime should they be dissatisfied with the service or outcome that they received.

In summary the **connect. resolve** campaign has been very useful in driving us to achieve all we have and I believe by us working with TIO and the implementation of the three suggestions above, we can improve and make the connect. resolve campaign even more effective.

STEVE PICTON
CEO, gotalk

Overview

Hutchison 3G and the TIO continue to work together to resolve complaints. As illustrated in the CEO comments on page 22, VHA (Vodafone Hutchison Australia) has a keen focus on customer satisfaction and the continuous improvement of its services.

However, this has not yet translated into a reduction in complaint numbers. Over the first six months of 2009, Hutchison 3G's total complaints increased by 22.4%. Customer service complaint issues also increased by 60.7%, with 336 issues logged in January and 540 in June. The June data shows that combined customer service and complaint handling issues comprise 32.4% of all issues logged against Hutchison 3G, which is below the industry level reflected in this report.

Progress Summary Hutchison 3G 2009

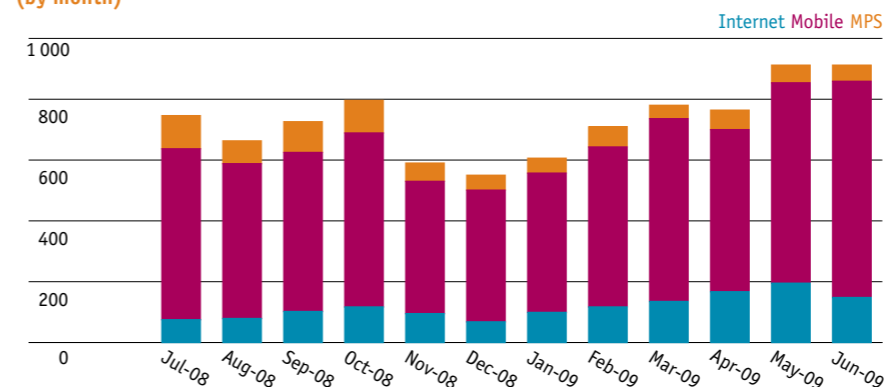
	January	February	March	April	May	June	Variance from January 2009
Complaints	1,137	1,282	1,418	1,321	1,333	1,392	+22.4%
Complaint issues	2,148	2,457	2,701	2,581	2,759	2,810	+30.8%
Customer service complaint issues	336	377	443	466	520	540	+60.7%
Complaint handling complaint issues	270	332	337	298	392	372	+37.8%
Combined customer service & complaint handling issues	606	709	780	764	912	912	+50.5%



THEY WOULD NOT PUT ME THROUGH TO A SUPERVISOR...

I'm on a cap plan with 3, but 3 has been charging me for individual calls instead of on my cap. When I called 3 to query I could not resolve the issue. I asked to speak to a supervisor and they would not put me through.

Combined customer service and complaint handling complaint issues – by service type (by month)





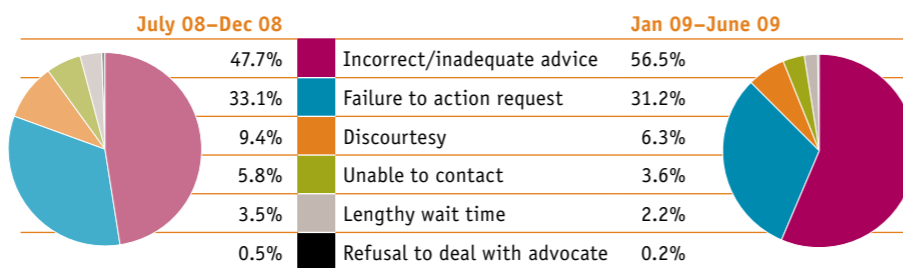
MAJOR ISSUES

In June 2009, the TIO recorded 540 customer service issues against Hutchison 3G. 'incorrect/inadequate advice' made up 56.5% of these issues with 'failure to action request' making up 31.2% of all customer services issues recorded.

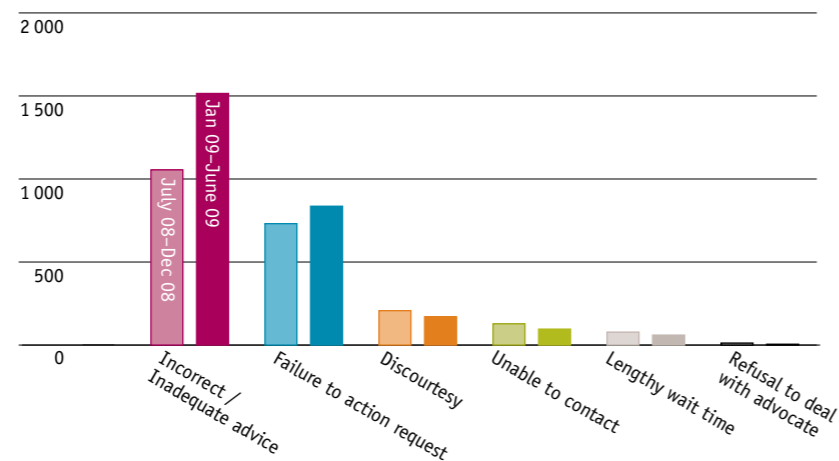
Complaints about customers receiving incorrect or inadequate advice highlights the importance of ensuring that the communication between sales staff/customer service representatives and customers is clear given the complexity of the technology and the different rate plans.

Complaint handling issues increased over the campaign period, with 'failure to action undertakings' the most significant issue for Hutchison 3G.

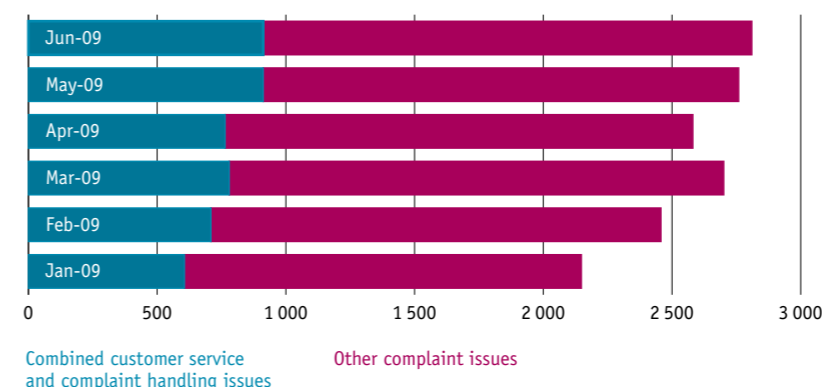
Categories of customer service complaint issues



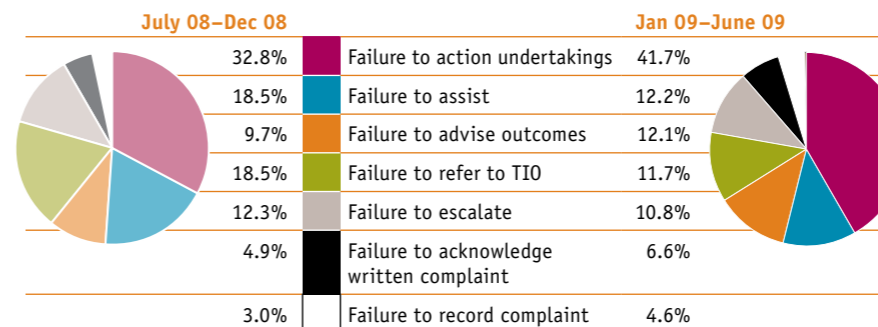
Breakdown of customer service complaint issue categories



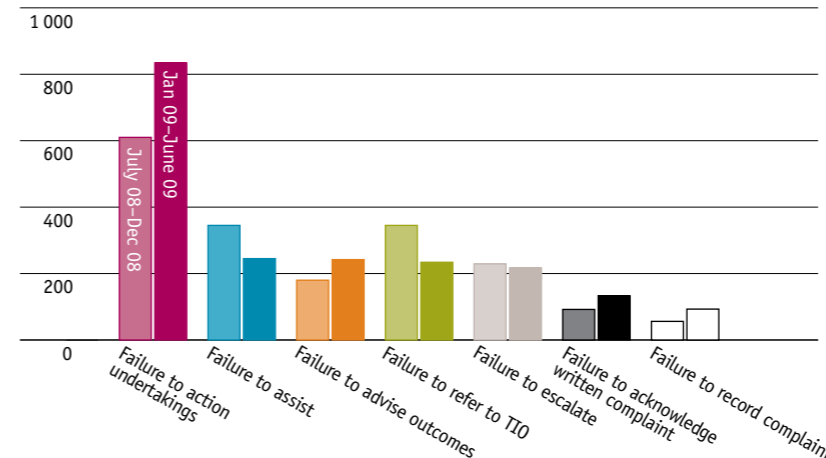
Proportion of combined customer service and complaint handling issues against all other complaint issues for Hutchison 3G



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



NO ONE HAS CALLED ME BACK...

I cancelled my 3 service when my original contract expired and I was waiting on final account, but then 3 charged me a termination fee and a handset instalment fee for a service. When I queried the issue 3 said I had upgraded my service within the original contract period. I have no knowledge of doing this.

When I told 3 this, they said they would find the contract and call me. But they haven't done this, even though I've followed up and they've told me the same thing.



I WASN'T GETTING MY BILLS...

For several months I stopped getting electronic bills. It turned out 3 had not recorded my email address properly. I've spent many hours waiting to get through to 3 customer service and made \$100 worth of calls trying to resolve this complaint.

3 has offered to refund the related charges for paper bills but it has not done this yet. It will only give me \$10 credit for the calls I've made trying to resolve this matter.



THIS RUNAROUND TOOK THREE AND A HALF HOURS...

- The 3 Care representative said I could upgrade my current phone to a new phone and that they would waive the exit fees because I was a loyal customer. I double-checked this and he said yes.
- But when I got to the 3 shop they said I would be charged \$120 in exit fees. I called 3 Care again and they told me the exit fees would be waived. When I went back to the store they told me again that the \$120 applied. I called 3 Care (the Mumbai call centre) and this time was told by another person that the exit fees applied. Then later the same person I had spoken to two calls earlier again said they'd waive the exit fees. This run-around took three and a half hours.
- I would like 3 to explain in writing how these various representations can be made by the same organisation.

I HAVE WASTED MANY HOURS...

- 3's representatives have not provided accurate or consistent responses and it is apparent that there is no record or continuity of evidence about my enquiries and problems.
- To continually repeat and explain the problems over and over again to each 3 representative and store attendant has been extremely frustrating and taken up much of our free and personal time.
- I have shown infinite patience during this entire ordeal and have wasted many hours of my own time on the phone and on the road traveling to 3's stores.

FROM THE CEO:

Thank you for the opportunity to provide our views on how we have seen the connect.resolve campaign.

As you are well aware we have been very supportive of any initiative that improves the service that customers receive. I think we have demonstrated this in a number of ways: building our own handset servicing centres when it was clear that the manufacturers were letting the consumer down; pushing for tighter control on the advertising of PSMS services; calling for 24 month manufacturer warranties on all handsets sold in Australia; proactively contacting our customer base when it is clear to us that the customer would save money with us by being on a different rate plan and a continuation of industry leading self care. The customer satisfaction results that we have earned demonstrate overall that our commitment to our customers is paying off and at the same time we acknowledge we have room for improvement.

Overall I would say that we see the connect.resolve campaign only partially achieving what it could have. There is no doubt it has brought the spotlight to the industry. The issue, as you know, that we have had with this is that it is based on data comparisons that are debatable to say the least.

This was the feedback across both Vodafone and 3. It created great headlines but was less helpful in telling us what the underlying issues were that we needed to work on. It also rolled everybody into the same bucket and did nothing to recognise the good work being undertaken by a number of us. I know my team also felt that the Ombudsman's office could have helped us benchmark what improvements were necessary based on the view that you have of the industry. In other words your office could have taken a more active role with us all rather than just reporting on the data and distributing it.

I don't understand why the program is being stopped if indeed it is seen as being successful in reducing the number of complaints relative to the growth in the market. We would value a continuation of this assuming we can all agree on how to record and measure the data.

I hope you find these remarks helpful and as always we are more than willing to sit down with you and your staff to discuss ways that we can further improve.

NIGEL DEWS
CEO, Vodafone, Hutchison 3

Vodafone and Hutchison 3 merged on 9 June 2009 and has therefore provided a joint statement from its CEO.

Overview

Optus continues to work with the TIO to manage its complaints and ensure communication is open and constructive. The TIO and Optus have collaborated on training initiatives which have helped in the handling of complaints and general consumer concerns.

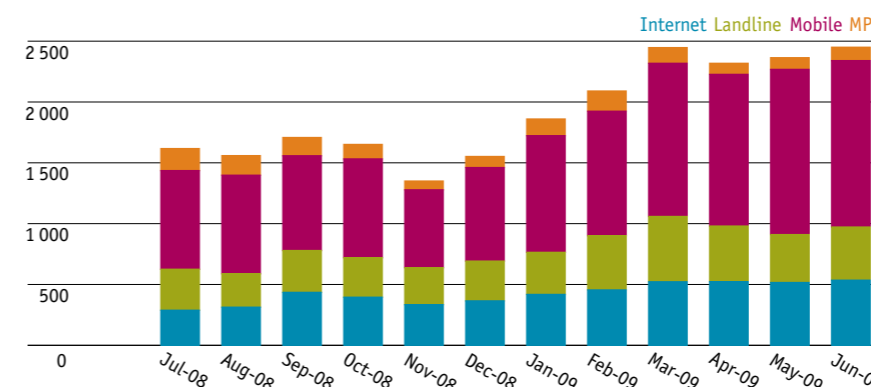
During the campaign, there was an increase of 18.4% in Optus' complaint numbers, which is above the industry average for the period. Customer service and complaint handling issues also rose. In June, 33.6% of complaints logged against Optus related to customer service and complaint handling, up from 32.7% in January 2009.

A focus on these issues will help Optus reduce simple complaints and increase consumer confidence. As suggested in the CEO's comments on page 26, Optus is focused on process improvement and staff training. In the coming months we hope to see these efforts reflected in the TIO's complaint numbers.

Progress Summary Optus 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	2,858	3,179	3,716	3,470	3,307	3,384	+18.4%
Complaint issues	5,680	6,390	7,519	7,086	7,087	7,272	+28.0%
Customer service complaint issues	976	1,049	1,303	1,388	1,406	1,387	+42.1%
Complaint handling complaint issues	884	1,041	1,144	930	958	1,063	+20.2%
Combined customer service & complaint handling issues	1,860	2,090	2,447	2,318	2,364	2,450	+31.7%

Combined customer service and complaint handling complaint issues – by service type (by month)



I'M STILL WAITING...

I first asked Optus to upgrade my home phone and internet plan to a \$99 monthly plan in the last week in April. Optus assured me that the change would take effect by 1 May, but I'm still waiting.

I have called Optus 4 times, with each call taking about an hour. Every time I call, I'm asked for the same details multiple times.

The first person I spoke to was very abrupt, claimed that it was a technical issue and promised to call back but did not. The second representative was much more polite and assured me that the problem would be fixed within 24 hours. A third person told me straight out that my plan couldn't be changed until June, so I asked to speak to his manager. The manager said his employee was wrong and that it was just a modem issue which would be fixed. But it's more than 10 days later and I'm still waiting.



SORRY, WE'LL DO IT RIGHT NOW...

I completed a change of ownership form for my mobile and wireless broadband services. Optus said that I'd done everything correctly and they'd process it.

A month later I called back and they told me, 'Sorry we haven't processed it yet; we'll do it right now.' Two months in, I called again and they gave me the same advice (plus that it would be escalated). When I called at the four-month mark, they said they had lost the forms. I explained that I didn't have a copy and they said, 'It's okay, we'll sort it out.'

At six months they decided to cancel the account and waive the charges. At seven months they still haven't cancelled the account.



HE COULD NOT EXPLAIN WHY...

When I didn't receive my mobile phone by the appointed date, Optus told me that it had run out of that model and that it would be another week before delivery. The phone didn't materialise and when I rang Optus again they told me there'd been a further delay.

I arranged to be home to receive it a week later, but the delivery day came and went. When I contacted Optus again, they told me my order had been deleted! The representative could not explain why, and told me he would have to input the order again from scratch.

We went through the whole process again and the phone was finally delivered 2 weeks after that. But now I have another problem with my bill...

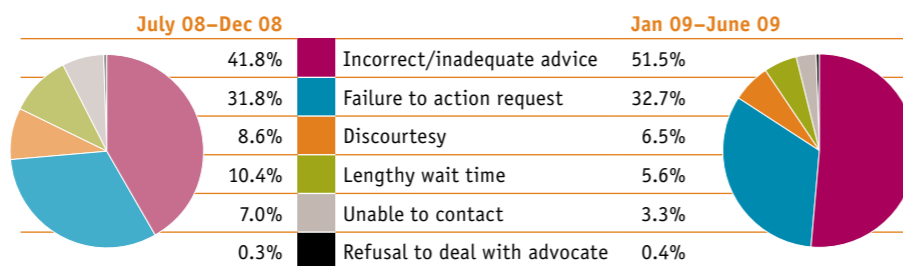


MAJOR ISSUES

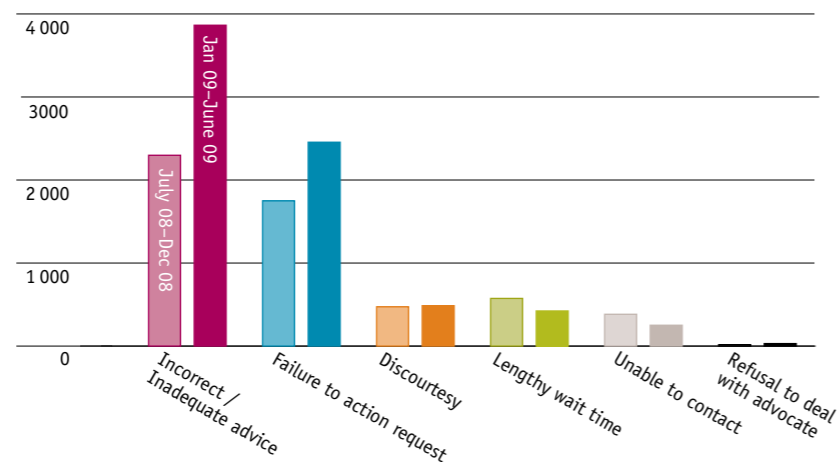
Optus' customer service issues are the same as other members - with the majority relating to 'incorrect/inadequate advice' and 'failure to action request'.

Its complaint statistics show a slight decrease in the categories of 'unable to contact' and 'lengthy wait time'. In terms of complaint handling issues, 'failure to action undertakings' is the most significant, comprising 43.8% of all the total logged in June 2009. 'failure to action undertakings' is a significant complaint handling category across all members which may reflect a lack of good processes or adherence to these processes.

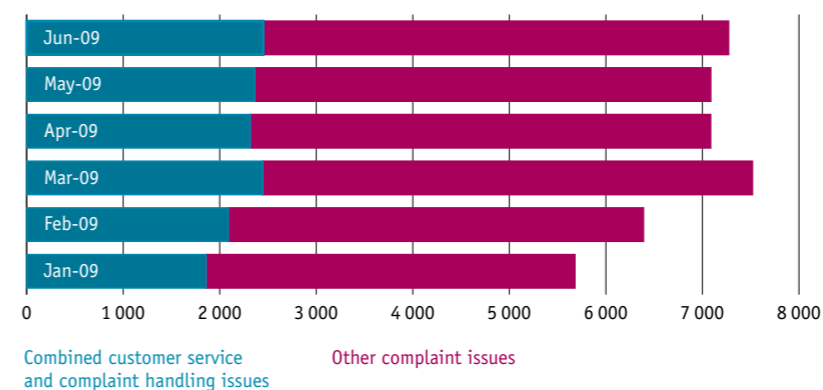
Categories of customer service complaint issues



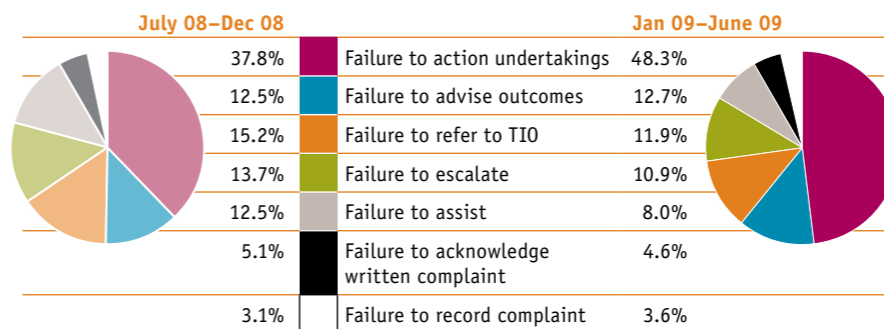
Breakdown of customer service complaint issue categories



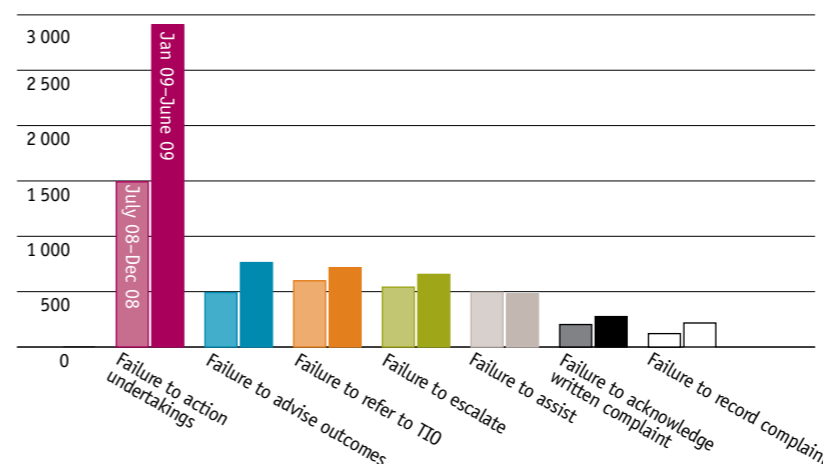
Proportion of combined customer service and complaint handling issues against all other complaint issues for Optus



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



THE WHOLE PROCESS TOOK 3 WEEKS!

In March I lost my phone in a taxi, so I rang Optus and immediately barred my number, asked for a new number, and chose one from a list Optus gave me. After I got the phone and SIM, I called Optus to activate the number, but my phone was not connected and when I tried the number Optus had given me it was a different person who said they'd always had that number.

When I rang Optus, they told me to replace the SIM at an Optus store. I did this, and then contacted activations but Optus did not activate the phone within 24 hours as advised. On Optus's advice I got another SIM, but the activation process failed again. Optus advised me to get yet another SIM card, but this time suggested I activate my old number. This time the phone was activated within one hour - but the whole process had taken 3 weeks! Now I've got a call saying I'm going to be getting a bill for a number I never used and they won't ring activations to confirm the situation.



I PAID, ONLY TO BE ADVISED...

When I bought this phone from Optus I asked if the phone could be unlocked and used on other networks. The sales rep said I could, for an \$80 fee.

I paid the fee, only to be advised - by both the store Optus Customer Service - that they cannot unlock the phone and will not refund the money.





FROM THE CEO:

Thank you for the opportunity to comment on the data for Optus observed over the six months of your connect.resolve campaign and related issues. Optus welcomes the campaign as an industry initiative and notes it is consistent with Optus' core values and compliments one of our major corporate objectives. Leadership in customer experience

Optus has set a corporate objective to lead the Australian telecommunications industry in outstanding customer experience by 2010.

We are working internally to ensure that every decision we make, every process we implement and action, focuses on the customer experience. If a product, service or activity is not contributing to an improved experience for our customers then we will take action to change it.

Two key programs which are positively impacting our performance are our Customer Experience projects and our Voice Of Customer program.

Customer Experience

Through staff and customer feedback, and through reviewing the reasons for customer calls and complaints, we have identified some key areas for improvement. One of these areas was our post-paid mobile billing. Billing issues consistently rate as one of the key drivers of both calls into our Call Centres and complaints to the TIO. In particular, we noted a very high incidence of calls from new customers when they received their first bill.

We therefore reviewed our billing processes and the information available to new customers to explain their bill, and we've made several enhancements. Since the billing project began, calls from customers about their post-paid mobile bills have decreased by over 10%. That's an average of 30,000 to 40,000 less calls a month!

Voice Of Customer

The Voice of Customer (VOC) is a quality assessment model used by Optus to measure the experience of our customers. The VOC program provides an overall performance score and is based on our customers' experience when dealing with our Contact Centres.

The VOC program involves customers being contacted by specially trained staff within 24-72 hours of the customer having spoken with an Optus representative. The customer is asked to rate how the Optus representative performed against key performance indicators, and on whether they resolved the customer's query on the spot.

The VOC program provides Optus with:

- simplified identification of areas of development for frontline staff;
- feedback for coaching purposes;
- data for training needs analysis; and
- identification of process improvement opportunities.

Call monitoring also plays a part in this program. Internal quality assessors monitor calls and assess the staff member on several indicators such as their adherence to Optus processes, their compliance with Legal and Regulatory obligations, their handling of the call and whether they followed up on the actions they committed to during the call. If the Optus representative has not satisfactorily dealt with one or more of the areas assessed, they are contacted immediately and coached as to how they could have handled the call better.

Since the VOC program was launched across our Consumer division 2 years ago, almost 300,000 customers have participated in a VOC survey. Overall satisfaction levels with the service provided by Optus representatives has been rated at an average of 87.4%.

Training

We also understand that to enable our staff to provide a better customer experience, we need to provide them with the right skills, so within the last 8 months:

- All Consumer Customer Service Team Leaders have attended briefings by the TIO, and have received training in effective complaint handling. (Additional training and TIO briefings are also scheduled for later this year.)
- Consumer Customer Service Representatives have received training in negotiation skills, to enhance their ability to deal with complaints and resolve issues at the first contact by the customer.

Connect.resolve data

Optus continually reviews the statistics provided by the TIO and its own internal Customer Service and Complaints data to determine the causes for complaints and implement actions to resolve this.

From an overall industry perspective, Optus' share of industry complaints is lower than our market share, which is positive news, however it is disappointing to us that almost a third of Optus complaint issues dealt with by the TIO relate to how we handle our customers' calls and complaints. Therefore, this is an area which we have been focussing on in an attempt to improve our performance.

The TIO statistics for the initial period of the review show an above average increase

for Optus in the number of complaint issues relating to customer service and complaint handling. We attribute a large part of this increase to some internal process changes late in 2008, which affected how our Customer Service Representatives deal with certain call types. As a result, we've implemented more training for our staff (as described above) to assist them in better handling these calls. Based on this training and our other customer experience programs, the rate of increase plateaued and absolute numbers declined towards the end of the period, and we expect to see complaint issues about customer service and complaint handling further decline over the coming months.

One area where Optus' complaints have fallen, according to the TIO statistics, is in the length of time it takes our customers to get through to Customer Service. Complaint issues from customers about being unable to contact us, and about having a lengthy wait time have dropped 27.5% and 15.4% respectively, when compared to the same time last year. This is a basic and important element of customer service and it is one where Optus has been focussing management attention over the period of the connect.resolve campaign.

Internal programs such as the Voice of Customer (described above) are leading to improved customer satisfaction, and we are also looking at other ways to ensure we handle our customer contacts in the best manner possible. One example of how we're addressing this is via continual feedback from our escalated complaint handling team to our call centres. Each complaint that is escalated to our Customer Relations Group is reviewed to determine whether it could have been resolved by our staff before reaching the Customer Relations Group. Where a staff member could have resolved the matter previously, they are sent information regarding the escalated complaint and coached on how they could have handled this better and resolved it earlier for the customer. We believe that this type of feedback loop, along with the Voice of Customer and internal quality assessments will ensure that some of the preventable causes for complaint escalations, such as lack of follow-up on a promised action, are minimised.

We are committed to improving our performance in this area, and will continue to work with the TIO with this goal in mind.

¹ Based the TIO statistics showing variance of these customer service complaint issues between May 2007/ and May 2008/09.

PAUL O'SULLIVAN
CEO, Optus

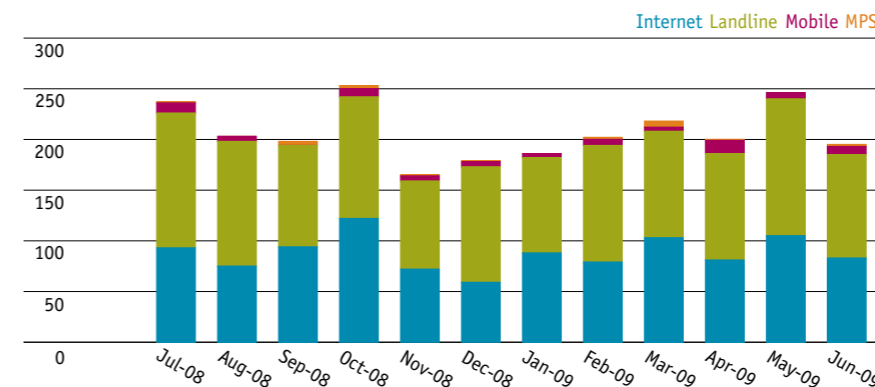
Overview

Communication between the TIO and Primus continues to provide a helpful platform for resolving complaints efficiently and effectively. During the connect.resolve campaign, Primus' complaints dropped by 12.8%, from 312 to 272. Complaint handling issues were also down (18.9%), while customer service issues went against these trends and increased by 29.7%. Both those issues comprised 33.1% of all Primus' complaints, which is below the current industry level.

Progress Summary Primus 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	312	333	350	305	341	272	-12.8%
Complaint issues	618	670	725	642	720	588	-4.9%
Customer service complaint issues	91	109	123	129	135	118	+29.7%
Complaint handling complaint issues	95	93	95	71	111	77	-18.9%
Combined customer service & complaint handling issues	186	202	218	200	246	195	+4.8%

Combined customer service and complaint handling complaint issues – by service type (by month)



NO ONE CAN GIVE ME AN EXACT ANSWER...

My iPrimus Max plan features a flat charge for all local and national long distance calls to fixed lines and calls to Australian mobiles, but Primus sent me a letter saying it has barred me from making outgoing calls on my home telephone because my usage is above the average Primus customer usage.

I have called Primus 3 times since I received its letter to ask what exactly the average number of calls is for Primus customers. They say it varies from month-to-month, and no-one can give me an exact answer; not even the floor supervisor.



THEY SAID TECH SUPPORT HAD GIVEN ME THE WRONG INFO...

→ In early January, after an upgrade to ADSL 2, my broadband stopped working. Primus tech support said that the way to fix this problem was to cancel the service and sign up again, and they referred me to a different department. I rang the other department, who said that tech support had given me the wrong info, and told me to call tech support back.

→ Now when I try to call tech support, there are either really long waits to get through or my calls get disconnected.

AFTER GOING THROUGH THE MAZE OF VOICE PROMPTS...

→ I have finally got fed up with the fact that Primus, which is supposedly a telecommunications company and offers support over the telephone, never actually has someone available to take a call. After going through the maze of voice prompts, I get a message saying, 'No service is available at the moment; please call back later.'

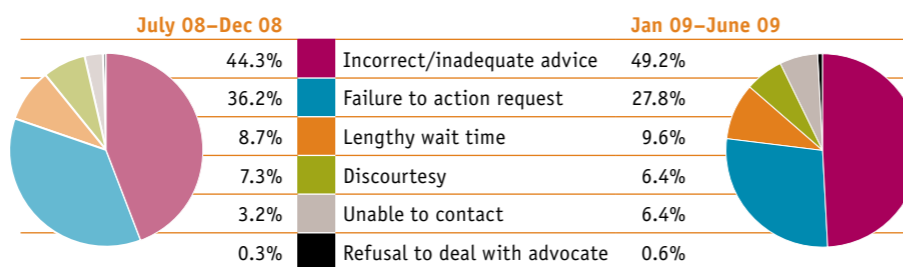
→ This happens time and time again. I think it is unreasonable that they do not provide a reasonable way to contact them. I have submitted my issue via email, but in the past have experienced that they do not respond to this or if they do respond they do not provide a sufficient response. In the end it requires call after call until I am lucky enough to get someone at the other end.

MAJOR ISSUES

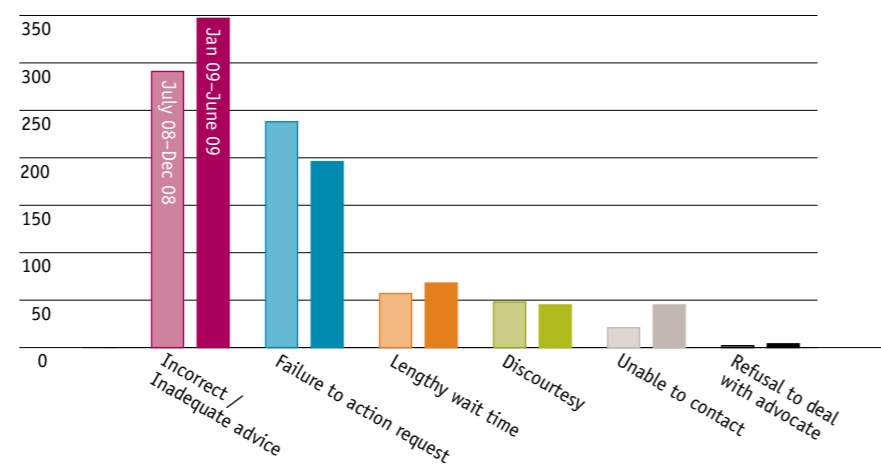
The most prominent issues for Primus are 'incorrect/inadequate advice' and 'failure to action request'. Complaints about a 'failure to action request' have dropped, while those about 'Lengthy wait times' have risen slightly.

In the complaint handling category, 'failure to action undertakings' is the most significant issue. Complaints relating to a failure to escalate also feature strongly in Primus' complaint data, and are at significantly higher levels than the industry average. As the TIO has highlighted throughout the connect.resolve campaign, escalation processes are an important part of any robust complaint handling procedure and customer service staff should feel comfortable using these processes.

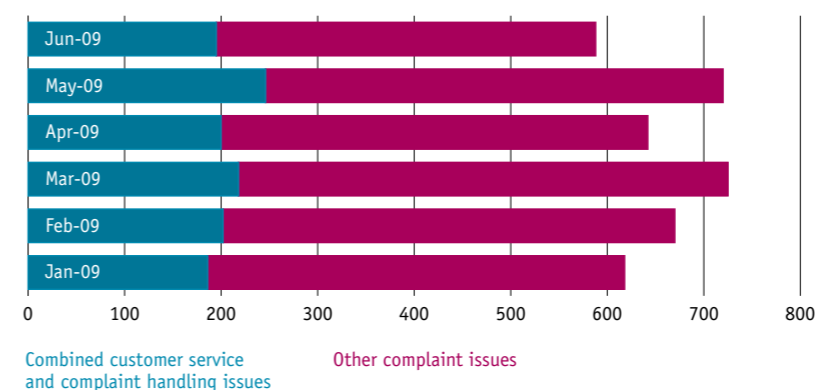
Categories of customer service complaint issues



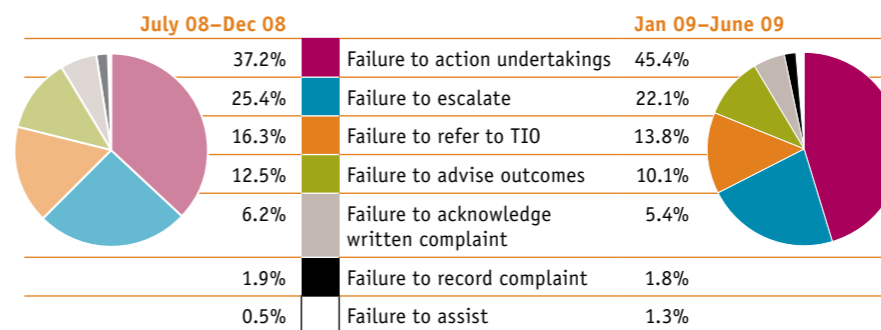
Breakdown of customer service complaint issue categories



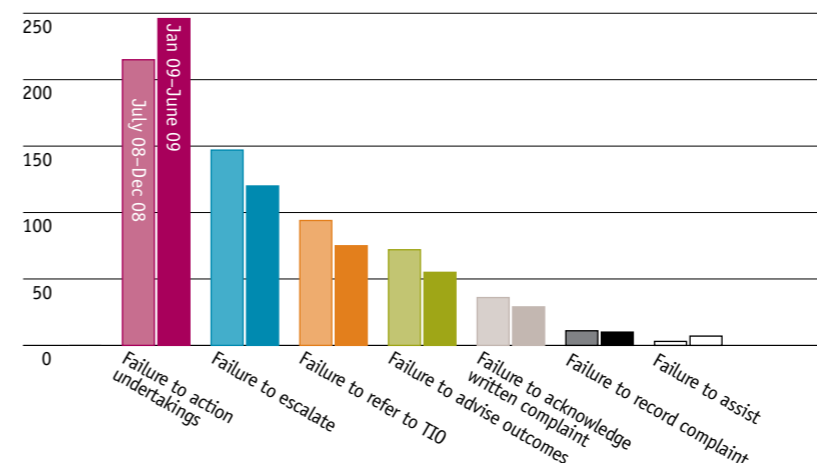
Proportion of combined customer service and complaint handling issues against all other complaint issues for Primus



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



EACH REPRESENTATIVE HAS PROMISED TO FIX THE PROBLEM...

When I noticed a charge for telephone handset rental on my Primus bill after I moved house, the representative advised that the previous occupant must have rented their phone from another provider and that these charges have now been passed on to me.

They said they would contact the other provider on my behalf to seek a reimbursement. Since then, I have called Primus 3 times and each representative has promised to fix the problem. It has been four months and I am still being charged.



I'M GETTING DIFFERENT INFORMATION...

I signed up for a Primus landline and internet package in the third week of February. I was told that the landline would be connected in 4 days and the Internet 4 or 5 days after that. But the internet is still not connected and I'm getting different timeline information from customer service when I call them.

They're always putting me on hold and I can't get a straight answer. The last I heard was that it would be connected in the middle of March.

Overview

There has been a notable reduction in complaints against Soul during the first six months of 2009. This follows a significant spike about 12 months ago.

Soul's complaint issues have dropped generally, with a 27.2% decrease in customer service issues and a 43.1% decrease in complaint handling problems. In June 2009, these two areas constituted 36.4% of all issues recorded against Soul.

WAITING FOR APPROVAL...

After I queried a \$35 dishonour fee on my account, my bank told me Soul had tried to withdraw an amount from my account. Soul's customer service staff investigated, and told me the charge (plus another dishonour fee for another failed transaction) was actually for another customer.

They told me they would credit \$70 to my next bill, but I still haven't received this money. I've spoken to at least three staff members and have had to repeat my story each time. One representative told me the credit had been noted on my account but had not yet been applied because it was waiting for approval.

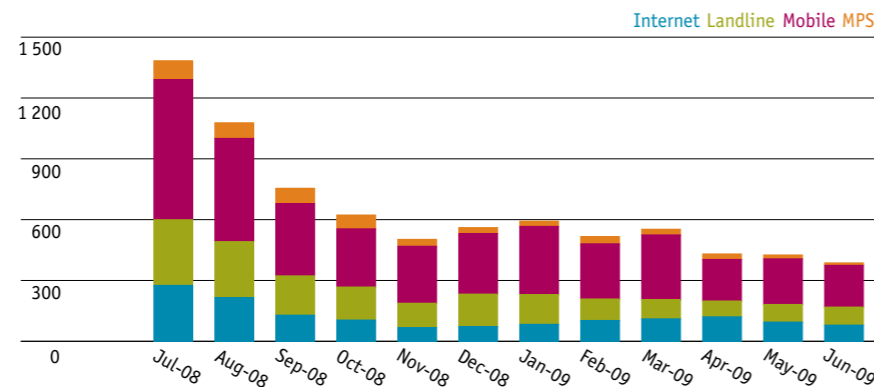
When I asked what approval they were waiting for and how long it would take, they could not give me an exact answer. My last call was in April, when a supervisor promised that the issue would be resolved within a week. Well it is almost July but this \$70 credit has still not been applied.



Progress Summary Soul 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	813	757	773	584	507	466	-42.7%
Complaint issues	1,801	1,626	1,684	1,262	1,146	1,059	-41.2%
Customer service complaint issues	309	272	286	244	237	225	-27.2%
Complaint handling complaint issues	283	243	266	186	188	161	-43.1%
Combined customer service & complaint handling issues	592	515	552	430	425	386	-34.8%

Combined customer service and complaint handling complaint issues – by service type (by month)

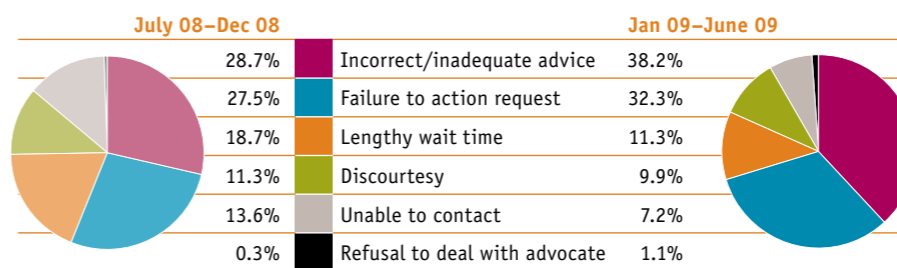


MAJOR ISSUES

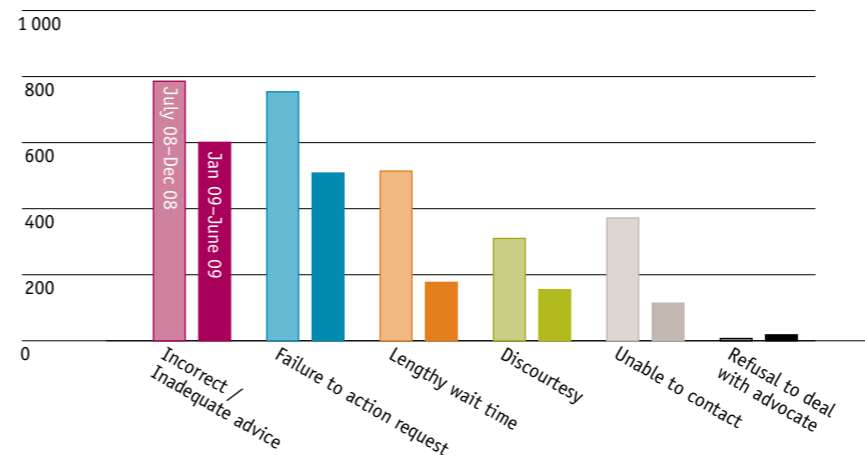
In terms of customer service issues, 38.2% of complaints recorded against Soul related to 'incorrect/inadequate advice', with 'failure to action request' at 32.3%. During the campaign, the TIO noted a reduction in both these complaint types of issues, which is in line with Soul's overall reduction in complaints.

Of all complaint handling issues recorded against Soul, 42.9% relate to 'failure to action undertakings', or not fulfilling a commitment; for example, when a company has agreed to apply a credit to a bill or cancel a service and this is not done.

Categories of customer service complaint issues



Breakdown of customer service complaint issue categories



I TRIED TO CANCEL MY ACCOUNT...

I had a Soul dial-up account which I cancelled in early November 2008. Soul continued to bill me after I cancelled the account, and when I rang to query the matter they said they had no record of my request to cancel.

NO MANAGER AVAILABLE...

When my mobile phone was stolen I rang Soul to follow up a replacement. I had agreed to purchase insurance when I took out the telephone service by ticking a box on the contract but Soul said I did not have insurance. I told them I had a copy of the contract in front of me with the insurance section ticked, 'Yes.' The company told me they did not have that information on their computer, but asked me to fax a copy of the contract to them. I told them that I had no access to a fax, but they would not offer any other way to get the contract to them. So then I asked to speak with a manager, but they told me a manager would not be available for an hour.



THEY DEMANDED I PROVE I HAD CALLED THEM...

Soul charged me an \$80 finalisation charge after I transferred my mobile service to another provider in February, even though I'd called twice to ask when my contract would finish and they had told me it would finish in January.

When I queried the charge, Soul told me my contract didn't end until March. I said I had been given different information, and they told me that they would need to retrieve the phone call and get back to me.

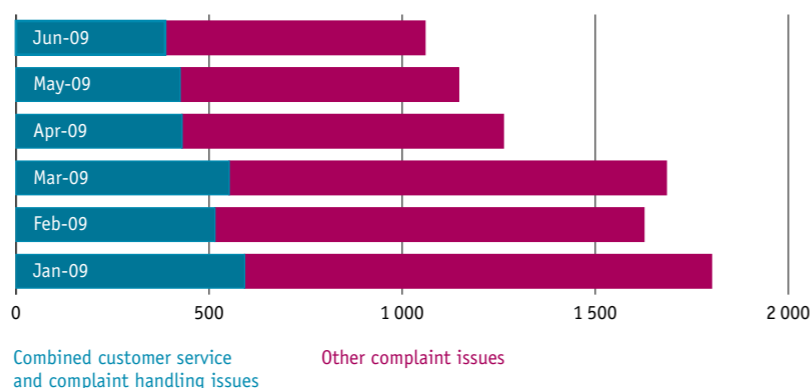
They never did, so I called again – only to be told that there was no record of my January calls. They demanded I prove that I had called them, so I had to fax them my landline bill.



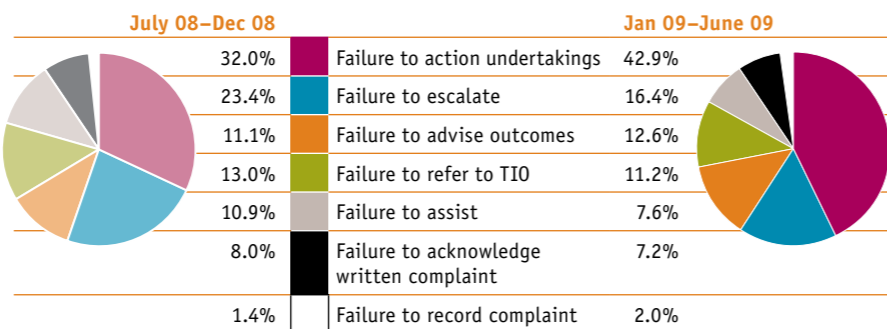
THEIR ATTITUDE SEEMS TO BE THAT I MUST OWE THE MONEY...

For about a year I have had a running battle with Soul about an 'unpaid' bill. As far as I know I paid all my bills when I left them to go to another provider. On numerous occasions, I have asked for a copy of the bill. However, they seem to be unable or unwilling to give me a copy so that I can check with my records whether I have paid or not. I have made it quite clear that I am willing to pay if I owe the money - that's not a problem - but their attitude seems to be that I must owe the money as they have sent it on to the collection agency.

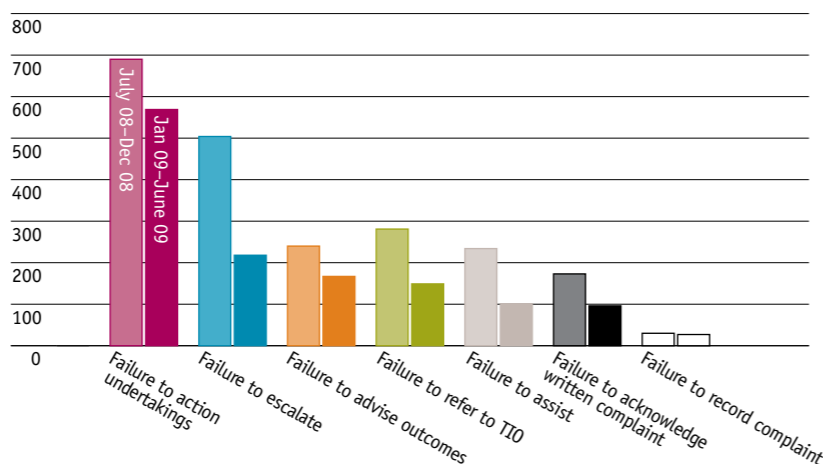
Proportion of combined customer service and complaint handling issues against all other complaint issues for Soul



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



Overview

The TIO and Telstra have worked together over the past six months to ensure complaints are being handled as effectively and efficiently as possible. We have also given Telstra regular complaint data to help with its analysis of complaint drivers.

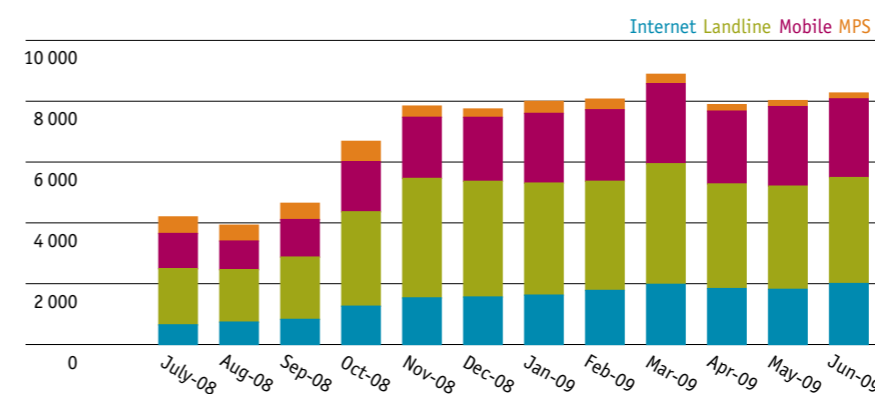
From January to June 2009, Telstra's overall complaint numbers dropped by 1.7%; which was a marked improvement on the previous six months but, as Telstra has acknowledged, there is still much work to be done. During the campaign, there was a drop in complaints about the handling of customers' concerns but a rise in complaints about customer service issues.

Telstra's combined customer service and complaint handling issues - as a percentage of their overall complaints - are slightly above industry average, making up 37.3% of all complaint issues. This demonstrates the importance of Telstra maintaining a focus on its service and processes.

Progress Summary Telstra 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	10,210	10,414	11,754	10,435	9,692	10,036	-1.7%
Complaint issues	21,366	22,082	24,793	22,101	21,418	22,150	+3.7%
Customer service complaint issues	4,344	4,127	4,926	4,707	4,760	4,770	+9.8%
Complaint handling complaint issues	3,650	3,940	3,958	3,179	3,260	3,498	-4.2%
Combined customer service & complaint handling issues	7,994	8,067	8,884	7,886	8,020	8,268	+3.4%

Combined customer service and complaint handling complaint issues – by service type (by month)





NO ONE WILL HELP...

When I failed to get a resolution through the Billing Department on 132 200, I submitted a request via web-form. Two days later, I got an auto reply with no suggestion about how to rectify the matter.

I replied by email the same day, raising the same issues. Four days later I got an email saying they would be escalating the matter to a supervisor, but I heard nothing for the rest of the year and the problem continued.

In early January 2009 I emailed again and asked why my issues had still not been looked at. The next day I got this email, 'We apologize as we do not have access to rectify your billing concern.'

'We may be able to direct you to appropriate department who can adjust your bill accordingly. Please contact our Billing Department at 132 200, from Monday to Friday between 8am-5pm.'



THEY DID NOT EVEN READ MY EMAIL...

In mid-February I lodged a request for help through the Telstra website about a problem I've had receiving messages overseas. I have resolved the problem now, but my dissatisfaction is in the way the problem was handled.

I am sure that the technical people could have responded, but I couldn't get past the standard replies sent from their email desk. They did not even read my email and kept sending me standard replies, some of which were not related to the issue.

They should take more care in responding, and try to help when someone is in a predicament overseas.

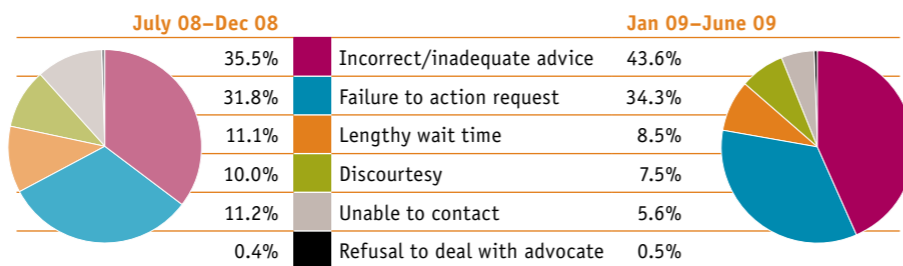
MAJOR ISSUES

The major issues for Telstra are consistent with those in the industry generally. 'incorrect/inadequate advice' and 'failure to action request' are the most prominent complaint issues.

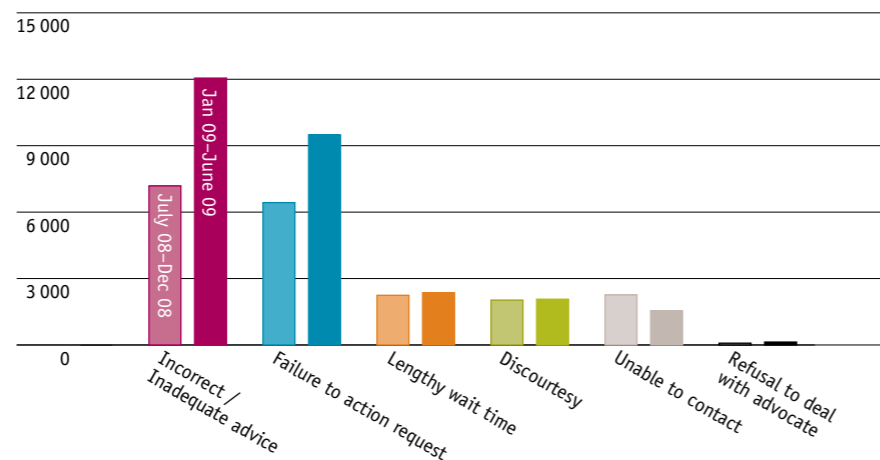
These types of complaints are generally straightforward; for example, where a customer has asked for a copy of their bill and does not receive it or a promised credit was not given. The consumer voices included in Telstra's pages are examples of these types of complaints.

From January to June 2009, the TIO recorded fewer complaints against Telstra in the 'Unable to contact' category, which suggests more customers were able to get through to Telstra representatives in a reasonable time.

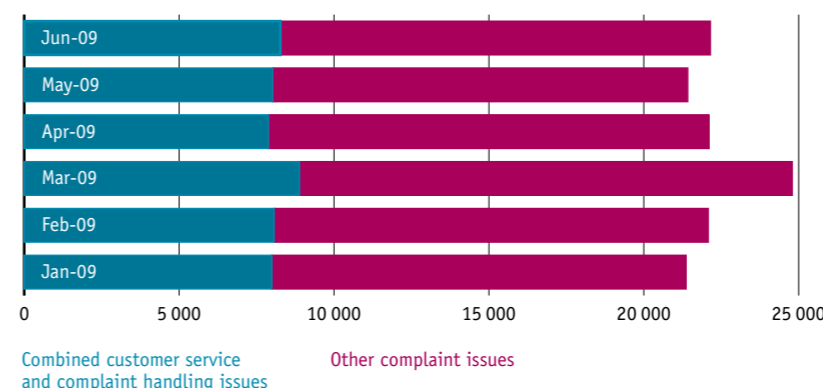
Categories of customer service complaint issues



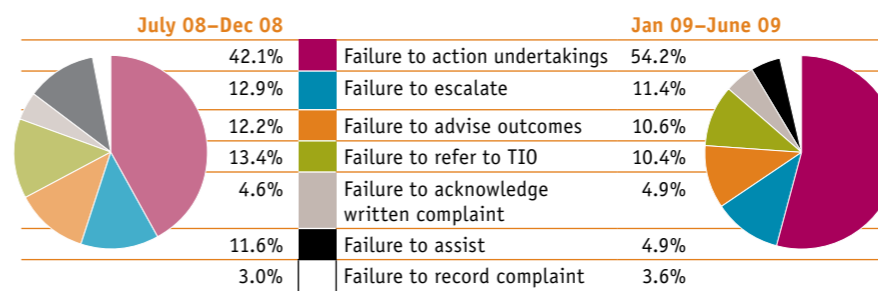
Breakdown of customer service complaint issue categories



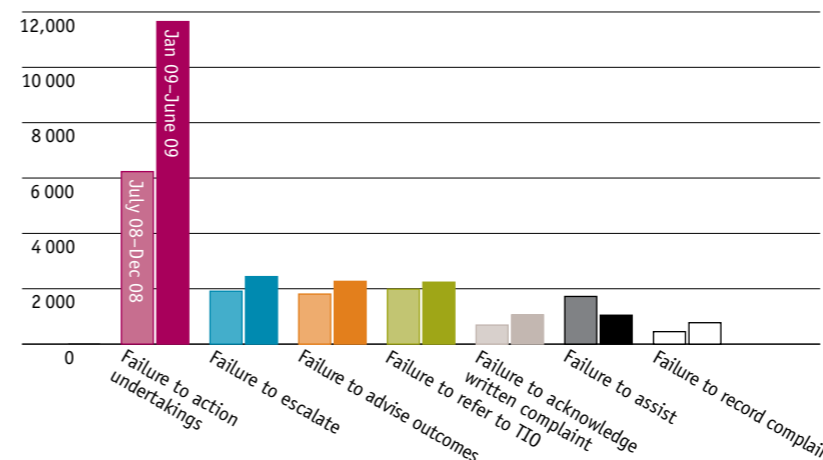
Proportion of combined customer service and complaint handling issues against all other complaint issues for Telstra



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



CONFLICTING INFORMATION...

You will see in the pages of notes I've taken over 4 months that I have made hundreds of calls and spoken to approximately 70 customer service representatives. On one occasion, I was on the phone to different departments from 9.30am until after 5pm.

But to this day we still do not have the landline service that is so paramount, given our child's situation. I have received conflicting information from Telstra's representatives. Conversations have ranged from, 'That staff member is not trained appropriately...' 'They shouldn't have told you that...' 'Why did they do that?' to comments such as, 'Don't panic, there is no reason why we can't connect you today.' At one stage I was on a conference call with two Telstra staff from two different departments, both disagreeing about the information they were giving me.





NO RECORD OF MY ORIGINAL COMPLAINT...

I purchased an iPhone outright from an Apple authorised reseller for \$990.00. But Telstra wants to charge me \$150 to “unlock” the phone so I can transfer to another provider. I am not on any contract with Telstra, and have no financial commitment to them, nor did I sign any papers or anything to waive any of my rights. I called Telstra, and their representative said the \$150 rule stands and there is nothing they can do about it. When I asked to escalate the complaint, they said they would call me back with a special complaint number. This never happened. When I called back a few weeks later, there was no record of my original complaint. I again asked to have my complaint escalated and again they promised to get back to me. Nothing happened.

7 DIFFERENT PEOPLE OVER 7 DAYS...

In February 2009 I got 5 months worth of Telstra landline bills all at once, with a letter of apology explaining that the billing delay had been caused by a computer error. When I got the bills I realised they had charged me for late fees and the wrong package, so I had to ring them up. I was told it was all fixed and given an extension to pay because it was their error. After that I did not receive any more bills till June, when I got an overdue notice. I have spoken to possibly 7 different people over 7 days: “billing” tells me to talk to “technical”, “technical” sends me back to “billing”, “billing” then tells me they will get “technical” to call, but no one ever does. Today someone in the billing department told me it was out of his hands and he couldn’t do anything about it – ‘Sorry.’ I have tried sending an email complaint but still no one has contacted me.

FROM THE CEO:

Looking to the future: Improving customer service and satisfaction

Thank you for your recent invitation to comment on Telstra’s connect.resolve statistics for the period January to June 2009.

To put it simply, I am disappointed with Telstra’s results. There has been a substantial improvement in some aspects of Telstra’s performance during the period of the campaign and our performance on the data in the TIO’s “Progress Summary” is better than the performance for the industry over the same period. However, we need to do much better and we are focused on ensuring that we do this.

Our complaint managers have worked diligently in 2009 to improve our performance and we believe these efforts are starting to gain traction and reduce complaint levels. Specifically we have:

- Increased the numbers of staff dedicated to receiving customer’s complaint calls;
- Increased the numbers of staff working to resolve customer complaints;
- Enhanced our reporting of complaints data and used this data to better inform our priorities, actions and improvement initiatives;
- Focussed on key priorities including resolving aged complaints as expeditiously as possible;
- Empowered our front line complaint managers to work with our customers to resolve their complaints;
- Improved the managerial resources applied to and the level of oversight of our complaint management activities including introducing direct accountability to me; and
- Focussed on the quality of our complaint management interactions with customers and the TIO staff.

I am encouraged by the clear improvement in the working relationship we have with the TIO, and the processes operating between us. We appreciate your support in this regard.

The connect.resolve campaign was conducted during a particularly challenging time for Telstra, coinciding with migration of around seven million of our customers to our transformed IT systems in a relatively short space of time. We are making these IT changes to set the foundation for improved customer service in the future, but we understand that it has been a difficult time for our customers and our staff. We recognise that change is not always easy and can drive questions and concerns. We apologise to our customers for any inconvenience they may have experienced during this time and we thank them for their patience and support during this critical project. One of the most important things we have to do now is to finish our IT Transformation.

Ultimately, the recent level of complaints to the TIO means that Telstra is not doing a good enough job to successfully resolve our customers’ concerns to their satisfaction. This needs to change and I have asked my senior management team to make further and substantial improvements in this area.

As a company, Telstra is on an important journey to earn the loyalty and support of all our customers by providing them with world-leading products and great customer service.

We have recently announced that Jules Scarlett will take on the newly created role of Director of Customer Service to coordinate all of our customer service and satisfaction initiatives across the company. This includes responsibility for the oversight of our management of TIO complaints. We are driving a company wide program regarding customer service and satisfaction which includes activities to reduce the number of complaint referrals by resolving matters first time, and quickly.

You can be sure that our whole Telstra team will be focused on delivering improvements for all our customers.

DAVID THODEY
CEO, Telstra

Overview

At the start of the connect.resolve campaign, Virgin Mobile made it clear to the TIO that it intended to turn around its previous complaint results and improve customer satisfaction levels. The company has made several policy/process changes that have contributed to a significant reduction in complaints over the past six months.

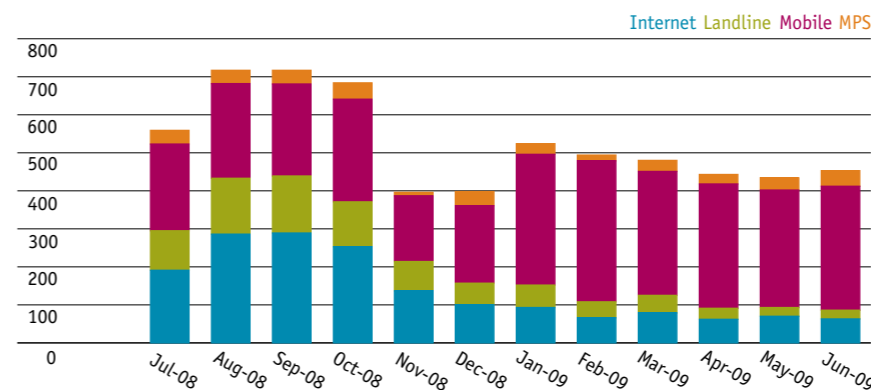
Over the campaign period, complaints dropped by 21.5%, with customer service issues down 8.6% and complaint handling issues down 18.8%. Customer service and complaint handling make up 36.7% of all complaints, which is slightly above the industry level.

During the campaign the TIO fulfilled its commitment to give Virgin data to help it analyse the causes of its complaints. The complaint trends in the tables below reflect the work that Virgin has done in response.

Progress Summary Virgin Mobile 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	752	728	713	677	567	590	-21.5%
Complaint issues	1,504	1,388	1,389	1,273	1,162	1,233	-18.0%
Customer service complaint issues	268	238	250	252	223	245	-8.6%
Complaint handling complaint issues	256	256	230	191	211	208	-18.8%
Combined customer service & complaint handling issues	524	494	480	443	434	453	-13.5%

Combined customer service and complaint handling complaint issues – by service type (by month)





I'VE CALLED VIRGIN 5 TIMES...

Virgin Mobile says it has activated international direct dialling on my mobile, but whenever I try to call an international number- no matter which country I'm in - I get a recorded message saying, 'Sorry, you are unable to make calls to this service.'

I have called Virgin 5 times, and each time they tell me that international dialling has been enabled on my account and that I should be able to dial internationally. Typically, they tell me that they have "refreshed" my service and that I should try again. It still doesn't work.



STILL NO INSURANCE...

The shop where I bought my iPhone forgot to add insurance to my contract. The next day the shop got me to fill out new contract paperwork so they could put the paperwork through to Virgin and have the problem fixed. I followed up a few weeks later and they said they were waiting on some imaging software to bring up my original contract details... Two weeks later they gave me the same story, but finally a week later they said they had fixed it and the insurance should appear on my bill (though they said I might have to backpay the previous months, even though I wasn't insured for that period). I have just received my monthly bill and there STILL is no insurance on it...

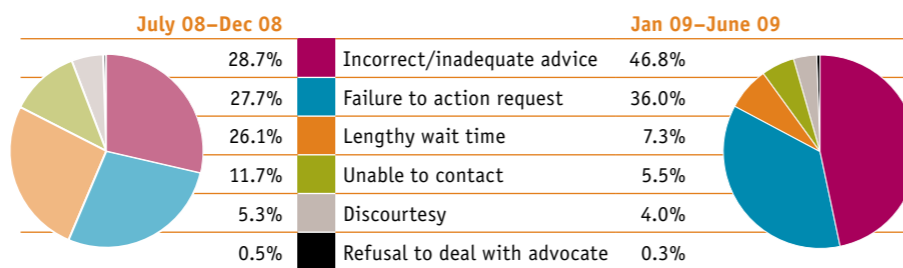
MAJOR ISSUES

Customer service statistics show a significant reduction in complaints relating to lengthy wait times to get through to a Virgin representative.

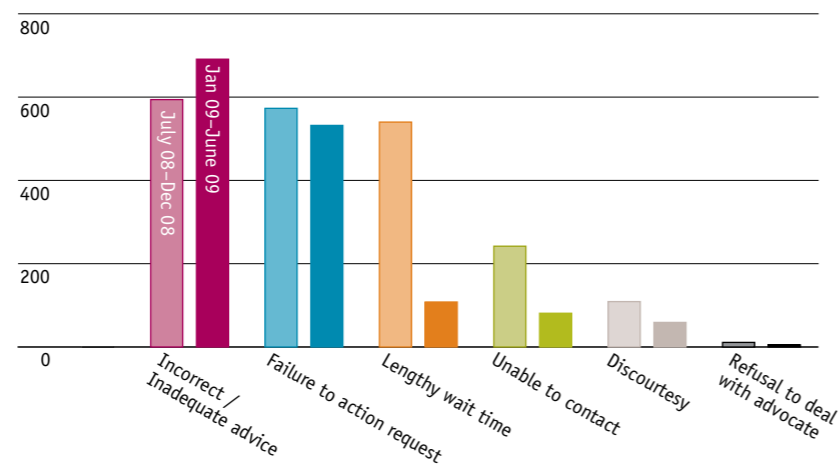
However, the biggest category of complaint - 'incorrect/inadequate advice' - has proportionally increased over the campaign, compared with the previous six months.

In terms of complaint handling, a failure to follow up on the company's commitments is a significant issue for Virgin Mobile. Complaints in this category have gone up in the past six months. However, there has been a small reduction in complaints in the category of 'failure to advise outcomes'. This refers to instances when a customer has been advised someone will examine their query and get back to them but this does not occur.

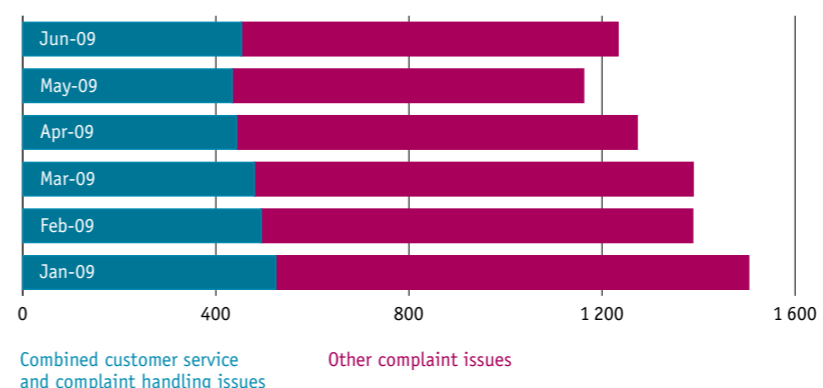
Categories of customer service complaint issues



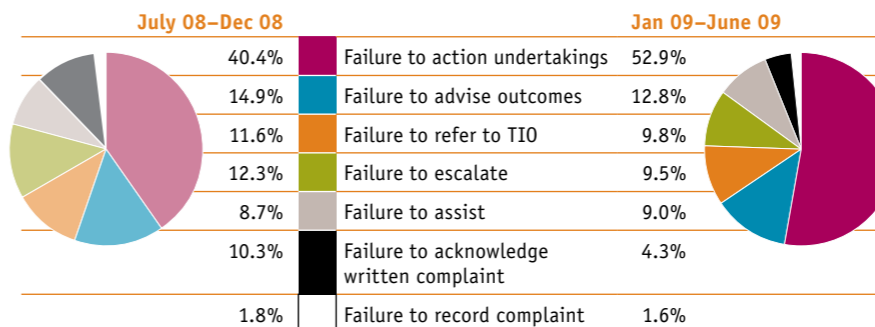
Breakdown of customer service complaint issue categories



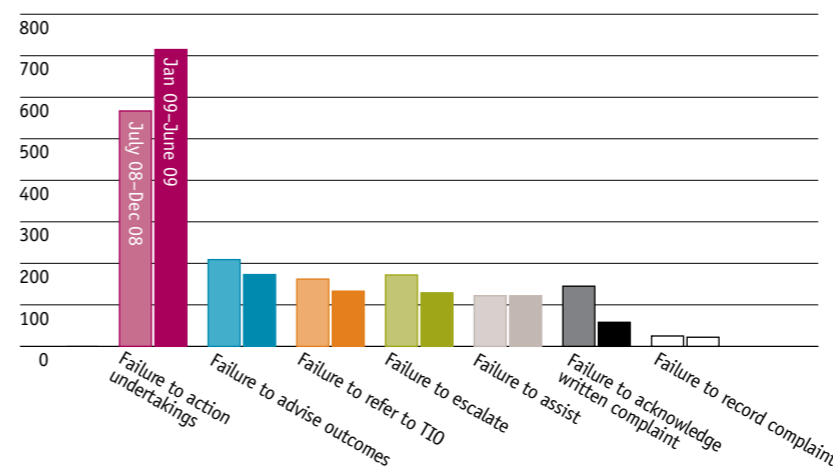
Proportion of combined customer service and complaint handling issues against all other complaint issues for Virgin Mobile



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



I CAN'T GET THE EXTRA CREDIT I WAS PROMISED...

Virgin sent me a special offer by email and postcard to double my top-up if I recharged my prepaid phones. In late March I topped up each phone by \$50. The offer said it would take a week for the extra money to appear on my account, but it never happened. I have tried to solve this matter over the phone on several occasions and have been told each time that the matter would be resolved. The last time I called Virgin was in the third week of April. The person I spoke to gave me a reference number and told me it would be updated in a week. Neither phone has been updated with the extra credit.



I CANCELLED MY ACCOUNT...

I took out a Virgin Broadband at Home service about 12 months ago. The contract allowed a one-month cooling off period, and I sent back the broadband modem within that time. Even though I'd cancelled the service, Virgin direct debited my account and sent me a bill. When I queried the issue, Virgin said it would investigate the charges and call me back. I never got that call and Virgin continues to debit my account.



FROM THE CEO:

Virgin Mobile takes very seriously its responsibility to provide a quality service to all of its customers and treat each one as an individual with individual needs.

The TIO's connect.resolve campaign shows that, between January and May 2009, Virgin Mobile reduced its total TIO complaints by 25% at a time when we grew our base by double digits. In the subcategories of customer service and complaint handling issues, we reduced complaints by 17% and 18% respectively. Our share of the industry's complaints declined from 3.7% to 2.8%.

But we still have some way to go on our journey to deliver a consistently superior experience to all of our customers. Detailed analysis of the TIO complaint figures shows we can improve our performance in a number of areas, and over the past two years we have implemented a range of initiatives that will even further improve our performance moving forward:

- we have invested significantly in customer service staffing and capability to make us more accessible and responsive to our customers
- we have created a new management structure for Virgin's customer service department, and that team has refined its reporting, training and incentive programs with the aim of delivering an outstanding customer experience
- we have refined the sales model for some of our products to better meet customers' expectations and ensure we are providing the services customers need
- we have completed detailed audits across all products of the range of complaint drivers and launched a range of process improvements to address the root cause of issues
- we have introduced detailed first call resolution reporting and focused our customer service operations on ensuring we provide the right advice and solve customers' issues the first time they contact us.

Virgin Mobile will continue to drive to an exceptional customer experience, and we look forward to seeing this reflected in our results. I look forward to working with the TIO to do it.

PETER BITHOS
CEO, Virgin Mobile

PHONES 'AWAITING PARTS'...

- I have contacted Virgin Mobile about getting 2 replacement phones, as both the phones supplied as part of my contract broke within a month of each other (product failure, very common with this model).
- I sent the phones to the recommended warranty provider and have been waiting on them since. The phones are still 'awaiting parts'. The warranty provider has had them both for too long and my concern is that my warranty period will expire before I can claim against it if I must.
- Virgin has told me that I must deal with Sony Ericsson directly, although I purchased the phones from Virgin Mobile and am in a contract with them. It is as though as soon as I buy the phone it is no longer their problem.

Overview

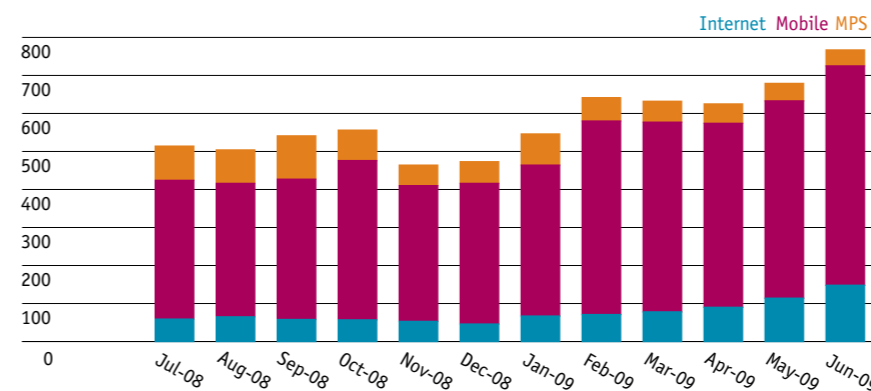
Vodafone and the TIO continue to work together on managing complaints effectively and fairly. Vodafone has communicated regularly with the TIO at a high level about its complaint handling performance.

Vodafone's complaint numbers were relatively stable over the campaign period, with 920 logged in January and 1,045 in June – an increase of 13.6%. Of these, 34.8% related to customer service and complaint handling. The data below shows a 40.5% increase in those issues over the campaign period. Given the level of increase, these types of complaints should continue to be a focus for Vodafone.

Progress Summary Vodafone 2009

	January	February	March	April	May	June	Variance from January 2009
Complaints	920	1,064	1,050	954	1,016	1,045	+13.6%
Complaint issues	1,717	2,072	2,059	1,930	2,050	2,204	+28.4%
Customer service complaint issues	298	366	340	391	408	458	+53.7%
Complaint handling complaint issues	248	275	292	234	271	309	+24.6%
Combined customer service & complaint handling issues	546	641	632	625	679	767	+40.5%

Combined customer service and complaint handling complaint issues – by service type (by month)



I HAD BEEN ASSURED THIS WOULD NOT HAPPEN...

When I closed my account with Vodafone early last year, my final bill showed a credit of around \$12. In June Vodafone agreed to send me a cheque but by July this had not arrived.

I rang and was told that someone higher up had denied my request for a cheque.

They said that if I had paid my last account by cash or cheque they would have sent me a cheque, but because I paid it by BPAY their policy is to repay it electronically. I would have paid the final bill by cheque if I had known about this policy in advance, and I do not see why I should give my banking details to a company when I am no longer its customer.

In December they started adding a \$2.20 charge for sending a paper bill. Now the account has passed the zero point and they have billed me \$1.80. I had been assured that this would not happen. If I ignore it, the bill will continue to grow.



ON HOLD FOR LONG PERIODS OF TIME...

Vodafone has charged me to receive a paper bill even though they said they wouldn't after I told them that I have no computer or access to the internet.

I've tried to contact Vodafone customer service many times but stay on hold for long periods only for the line to drop out.



THEY PASSED THE BUCK BACK...

In March I got a smartphone on a new Vodafone contract. During the first 6 weeks of the contract I had to go back to the shop 3 to 4 times about minor faults – software glitches which they fixed in store. Then the handset broke down completely, was sent away for repairs for 2 weeks and ultimately replaced with a new handset.

The new handset lasted about a week and also broke down. It too was sent away for another 2 weeks, and then replaced. This brand new handset also only lasted about a week, broke down, was sent away and then replaced with another new handset.

I am trying to run a company, and having a phone that has let me down on numerous occasions is affecting my business (plus every time I get a new handset I have to spend about an hour setting up the new phone).

I am paying good money for this product, but have no faith in it anymore. I have repeatedly asked Vodafone for another brand of smartphone of the same value, but they tell me they cannot do this.

- I spoke to the store and they said it was Vodafone's problem
- I called Vodafone and they said it was the manufacturer's problem
- I emailed the manufacturer and they said it was the store's problem
- I called Vodafone again and they said the manufacturer's service centre was responsible.
- I called the service centre and they said there was nothing they could do – it was Vodafone's problem
- I called Vodafone again and once again they passed the buck back onto the manufacturer. However this time they did offer a cheap handset for me to use each time the phone failed. I have accepted this but would rather return it and just have a working phone worth the top dollar I'm paying.

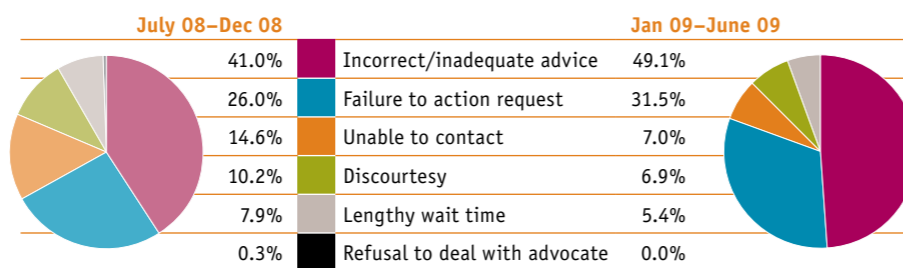
MAJOR ISSUES

From January to June 2009, the TIO received more customer service complaints relating to 'incorrect/inadequate advice', than in the previous six months. Complaints in which Vodafone failed to act on a customer's request also increased.

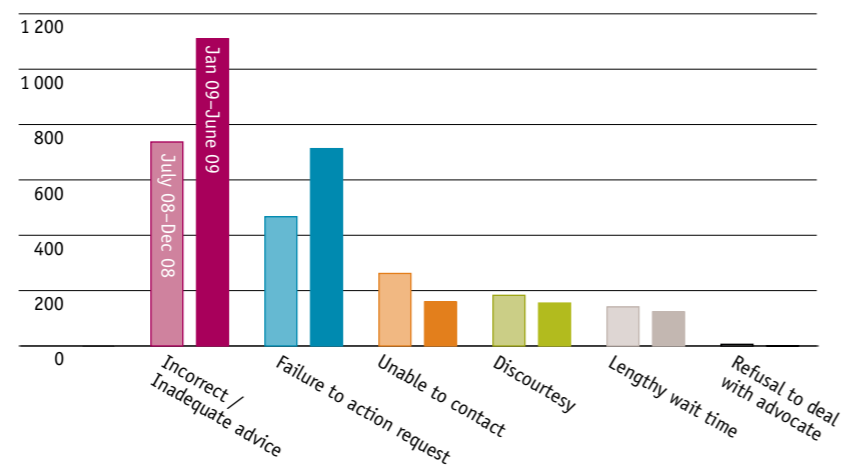
However, there was a reduction in complaints about customers being unable to contact Vodafone.

Complaints relating to Vodafone failing to act on its undertakings rose to make up 41.9% of all issues. Complaints relating to 'failure to escalate' also increased over the same period. This type of complaint continues to feature strongly in the TIO's data when it should be standard practice for all service providers to escalate calls when a customer is unhappy or requesting this.

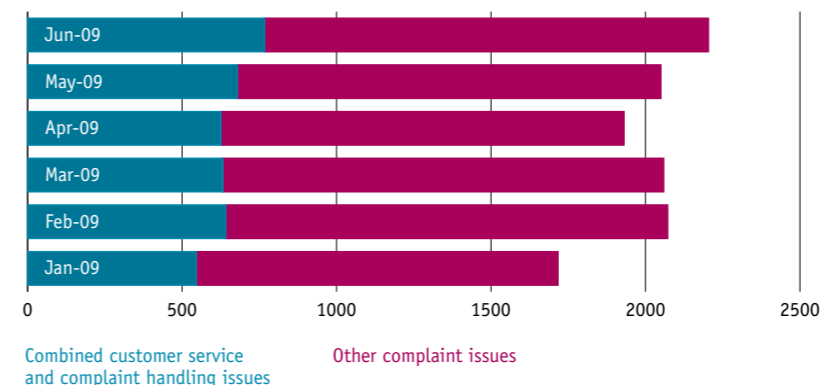
Categories of customer service complaint issues



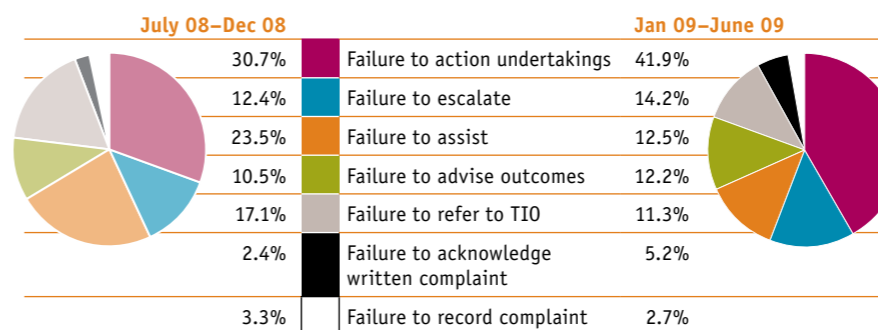
Breakdown of customer service complaint issue categories



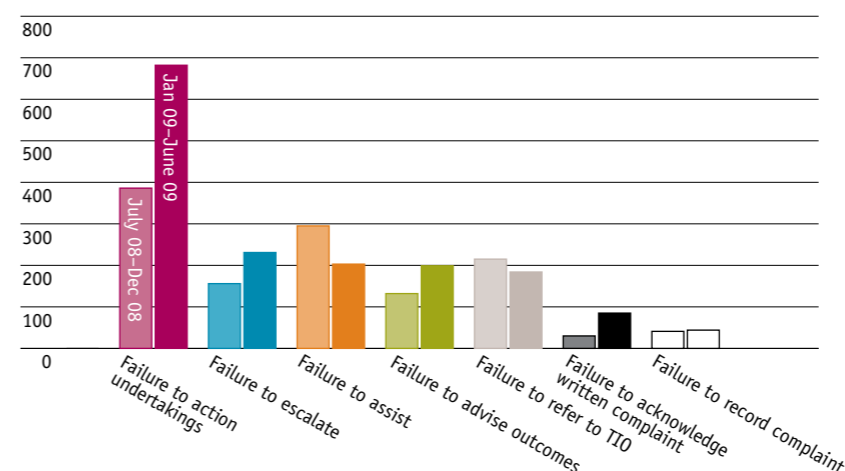
Proportion of combined customer service and complaint handling issues against all other complaint issues for Vodafone



Categories of complaint handling complaint issues



Breakdown of complaint handling complaint issue categories



VODAFONE HAS IGNORED MY NUMEROUS APPEALS...

Vodafone's insurance records show the wrong mobile serial number on the insurance part of my bill. For 16 months I've been asking Vodafone to rectify this error in the records or terminate the insurance. For 16 months Vodafone has ignored my numerous appeals and insists that I pay their monthly insurance fee. I have made more than 20 requests and spoken to 5 different customer service representatives. Each month I call, and I get transferred between representatives until the phone gets cut off. A letter I've sent about the matter remains unanswered.





FROM THE CEO:

Thank you for the opportunity to provide our views on how we have seen the connect.resolve campaign.

As you are well aware we have been very supportive of any initiative that improves the service that customers receive. I think we have demonstrated this in a number of ways: building our own handset servicing centres when it was clear that the manufacturers were letting the consumer down; pushing for tighter control on the advertising of PSMS services; calling for 24 month manufacturer warranties on all handsets sold in Australia; proactively contacting our customer base when it is clear to us that the customer would save money with us by being on a different rate plan and a continuation of industry leading self care. The customer satisfaction results that we have earned demonstrate overall that our commitment to our customers is paying off and at the same time we acknowledge we have room for improvement.

Overall I would say that we see the connect.resolve campaign only partially achieving what it could have. There is no doubt it has brought the spotlight to the industry. The issue, as you know, that we have had with this is that it is based on data comparisons that are debatable to say the least. This was the feedback across both Vodafone and 3. It created great headlines but was less helpful in telling us what the underlying issues were that we needed to work on. It also rolled everybody into the same bucket and did nothing to recognise the good work being undertaken by a number of us. I know my team also felt that the Ombudsman's office could have helped us benchmark what improvements were necessary based on the view that you have of the industry. In other words your office could have taken a more active role with us all rather than just reporting on the data and distributing it.

I don't understand why the program is being stopped if indeed it is seen as being successful in reducing the number of complaints relative to the growth in the market. We would value a continuation of this assuming we can all agree on how to record and measure the data.

I hope you find these remarks helpful and as always we are more than willing to sit down with you and your staff to discuss ways that we can further improve.

NIGEL DEWS

CEO, Vodafone, Hutchison 3

Vodafone and Hutchison 3 merged on 9 June 2009 and has therefore provided a joint statement from its CEO.

UNHELPFUL REPRESENTATIVE...

- I got a bill for \$0 from Vodafone for an account which appears to have been created in December 2008. I do not have and have never had a Vodafone account.
- The Vodafone customer service department was unwilling, or unable, to assist. After the TIO put me on to Vodafone's complaints area, I learned that apparently I had had an account with them many years ago.
- They'd sent this bill to my old address and the people there had passed it on. The last time I was at that address was in mid-July 2003.
- Vodafone's representative was unhelpful. They would not tell me anything because I could not give them my password, but how can I know the password if the account dates back 9 years, and I am not sure I even had one.
- When I asked to speak to their manager, they told me there was no manager and they were part of a team.

