



29 September 2010

Mr Chris Chapman
ACMA Chair
PO Box 78
Belconnen ACT 2616

Dear Mr Chapman

We appreciate the opportunity to comment on the paper *The Cost of a Free Call: Accessing 1800 and 13/1300 services from mobile phones ACCAN, AFCCRA and ACOSS Super-complaint to the Australian Communications and Media Authority*.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. The majority of customer complaints are made by phone to EWON's freecall number 1800 246 545¹. EWON is increasingly contacted by customers who are using mobile phones as their only form of telephone communication.

EWON's Quarterly Report to NSW energy and water providers April to June 2010 included as an industry issue the following:

Mobile phone call charges and affordability concerns

For financially vulnerable customers often the cheapest form of communication is a pre-pay mobile phone. This can create specific problems for retailers and customers. It is important to note that calls to 1800 and 1300 numbers from a mobile are charged to a customer at normal call rates. Any call placed on hold will therefore quickly accumulate costs which can lead the customer to abandon the call.

EWON's approach is to offer to call customers back if they contact us on their mobile phone. This could be a practical option for retailers to offer to low income customers who depend on mobile phones.

EWON has received some complaints from customers about the cost incurred in contacting their energy suppliers.

¹ For example, 88.2% in 2008/2009, 86.5% in 2009/2010



Case Study

Rick contacted EWON to register his concern that pensioners could not afford the phone bills caused by delays in his retailer's call centre. He had received a disconnection notice and rang his retailer's 1300 number to arrange an extension of his payment date. He called on the mobile that he used for emergencies and was placed on hold. This used \$6 of his limited available credit. If he had had access to a fixed line for this essential call it would have only cost around thirty cents.

In addition to customers on low and limited incomes, community welfare agencies have added to complaints received by EWON on this issue, especially those agencies working through volunteers.

Case Study

EWON was contacted by an advocate from a welfare agency. He and his colleague were trying to arrange a reconnection for a client who had been without electricity for 7 days. The advocate rang the retailer's 1300 number on his mobile phone but was kept on hold for over 40 minutes. He requested a call back but was told that this was not possible. In the end he rang off and the contact was then reattempted by his colleague on her mobile. She was also kept on hold for nearly the same length of time.

Contact with EWON

As indicated above, most people contact EWON by phone through our 1800 number². Complaints cover a wide range of energy and water related issues, including urgent matters such as impending or actual disconnection of electricity, gas, or water supply.

The process of avoiding disconnection or arranging reconnection of essential utility services may involve multiple phone calls by customers to EWON, the retailer and possibly community welfare agencies to arrange financial assistance to pay their bill. Despite the provision of 1800/1300 numbers by most if not all of these service providers, the costs to a consumer using a mobile can soon mount up at a time where lack of financial resources has already placed them in a critical situation.

We note that in the ACCAN complaint they investigated the time taken to arrange a call back to a mobile from three services, including EWON. This time ranged from one minute to one minute fifty seconds.

² There has been a steady increase in online complaints over recent years, but we expect that personal contact by phone will continue to be the preferred form of contact for the majority of customers across NSW.



However, it is our experience that a customer facing the stress of impending or actual disconnection will want to speak directly to EWON and may be unaware of the cost that they are incurring in holding on rather than requesting a call back.

The cost to customers of ringing their energy or water provider or EWON has been of concern for some time. In 2005 we raised this issue with telecommunication providers with a view to establishing a way that calls from mobiles to ombudsman freecall numbers could be free. However, we were advised that there were technical difficulties with no immediate solution available.³

The ACCAN complaint raised a number of consumer detriments including inadequate access to service and consumer confusion about pricing. Based on EWON's experience we confirm that consumers who are dependent on mobile phones, particularly pre paid mobiles, experience less access to services. We can also confirm that these customers are sometimes not aware of the costs that they incur when they ring what they consider to be a 'free' or local call cost number.

Finally EWON's direct experience confirms what ACCAN identifies as the possibility of double dipping. EWON pays our 1800 provider a higher rate for calls from mobiles than we pay for calls from landlines. For a 6-7 minute call to our 1800 number we pay around 50c for a call from a landline and around \$1 for a call from a mobile. This is despite the fact the mobile customers are also paying for these calls.

We would like to see a situation where a call to a freecall number for an ombudsman or other essential service is for the consumer exactly that – free – whether the call is made from a landline or mobile phone. Equally we would also like to see a situation where a call to the 1300 number of a service provider such as an energy or water company is charged at a fixed rate and not on the basis of the length of the call.

If you would like to discuss this matter further, please contact me or Chris Dodds, Senior Policy Officer on 8218 5250.

Yours sincerely

Clare Petre
Energy & Water Ombudsman NSW

³ As a result EWON now includes in all our publicity material advice about the cost of calling our 1800 number from a mobile and an offer to call back the customer if they advise us that they ringing on a mobile.