

## Phone Debt

This fact sheet is for information only. You should seek legal advice if you are in financial hardship.

### Main ideas

- Think carefully before signing up to expensive phone plans – especially if you don't have a secure income.
- If you are in financial hardship, negotiate a repayment plan with the telco.
- Free financial counsellors can help you figure out what you can afford, and can help you negotiate a payment plan.

### In this fact sheet:

[Prevent your phone debt building up](#)

[Check you owe the debt](#)

[Ask for a payment plan](#) what you can afford to pay  
Ask for a financial hardship arrangement

[Complaining about Telcos](#) contact with the telco and TIO

## Prevent your phone debt building up

Be careful when signing up to expensive phone plans. Read the terms and conditions carefully. Consider whether you need the service you are signing up for. If you are in financial hardship, you may be able to get a payment plan or a hardship arrangement.

## Check you owe the debt

Check you owe the debt. If you are in financial hardship, you may be able to get a payment plan or a hardship arrangement.

## Ask for a payment plan

Telco companies must work with you if you tell them you are in financial hardship.

## Work out what you can afford to pay

Work out what you can afford to pay. If you are in financial hardship, you may be able to get a payment plan or a hardship arrangement.

## Ask for a financial hardship arrangement

Contact the telco (a free financial counsellor can help you). If you are in financial hardship, you may be able to get a payment plan or a hardship arrangement.

**Tell the telco:** I cannot pay the full debt owed and you are in financial hardship.

**How to ask for hardship – some examples:**

*I'm in between jobs at the moment, I lost my job when the café shut down. I need some time to look for another job. I need to keep my phone and data plans active to look for work but I can't afford anything right now. Can you pause the*

*payments for me for 3 months and keep both accounts active? I can go back to my normal payments once I find a new job.*

*My arthritis has gotten to the point where I can't work anymore. I'm 63 years old and will have trouble finding other work. I can't afford my \$69/month plan and I don't need so many call and data anymore, but I have another 14 months to go on the contract. Is there any way to move to a cheaper plan, with no fees. I expect to be on Jobseeker until I qualify for the age pension and can't afford much at all. I can either hand in my phone, or pay it off over time – can you tell me what how each option will affect me?*

*I was diagnosed with depression a few months ago, since I lost my job, and haven't been opening any mail or emails. My phone has just been disconnected, and I've found a termination notice asking me to pay \$750 to pay out the contract. I can't afford this and I need a phone to book my medical appointments. Can you reconnect my phone on a cheaper plan – I can afford \$30 per month, and waive the \$750 payout cost? Or at least waive all the fees, and let me pay off the rest of my phone's cost in instalments under my new plan?*

## Complaining about Telcos

**Complain to TIO immediately if your telco is threatening to disconnect your service.**

Once you lodge your complaint, TIO will give you a dispute resolution process. **Continue contact with the telco and TIO**

Keep your complaint going at TIO. Don't give up. **Get legal advice if there is no progress or you are not happy with the outcome**

## Need more help?

[For a list of other resources, visit our Useful Resources page.](#)  
Last updated: February 2023