



30 September 2026

Telecommunications Industry Ombudsman
Public Consultation

Via email: publicconsultation@tio.com.au

TARGETED REVIEW OF THE TIO'S NON-FINANCIAL LOSS LIMITS

We welcome the TIO's targeted review of its Non-Financial Loss (NFL) Limits. This review is a critical opportunity to re-align the TIO's NFL framework with the real harm caused by telecommunication providers' misconduct and service failures.

This is a joint submission made on behalf of consumer organisations from across the country who have expertise and experience in supporting consumers of telecommunication services. Many of our organisations regularly support people to raise complaints with telecommunication providers through both their Internal Dispute Resolution (IDR) teams and via the TIO. Several of our organisations have been directly involved in supporting people through the recent Telstra and Optus remediation programs.

In our view, the current \$1,500 limit is inadequate. It does not provide sufficient scope to recognise serious harm, is inconsistent with compensation outcomes achieved through recent telecommunications remediation processes and can weaken incentives for providers to prevent harm and resolve complaints promptly. We support increasing the limit to \$15,000 per claim, with capacity for higher awards in exceptional circumstances, supported by clear guidance, indexation and periodic review.

Background

Access to reliable and affordable telecommunications services is fundamental to participation in modern life, and failures in this sector cause significant harm, including distress, disruption and impacts on wellbeing. For people in remote and regional communities, including many First Nations consumers, telecommunications access underpins connection to essential services, financial services, community, culture and economic participation. When services fail, are unaffordable, or are mis-sold or the dispute resolution is prolonged or ineffectual, the resulting harm is amplified, compounding existing barriers and limiting the ability of people in communities to participate in daily life and for communities as a whole to operate effectively.

The current NFL limit constrains the TIO's ability to recognise the human impact of telecommunications misconduct and provide compensation proportionate to the harm caused, irrespective of the amount of financial loss incurred.

As recognised by the TIO, to remain relevant to contemporary expectations of what good consumer outcomes should look like, telecommunication "rules and the framework they sit within should better reflect today's realities."¹

This submission makes the following recommendations:

Recommendation 1: NFL guidance should reference the TIO's Fairness Framework and make clear that fairness in the context of NFL compensation requires that consumers are not left to absorb the consequences of provider misconduct.

Recommendation 2: Replace the current "unusual degree or extent" threshold with a harm-based assessment that focuses on the actual harm experienced by the consumer and does not normalise harm arising from widespread industry underperformance.

Recommendation 3: Remove reference to the "moderately robust" consumer as a threshold barrier to compensation and ensure that assessments focus on the provider's conduct and the harm caused, rather than assumptions about consumer resilience or mitigation.

Recommendation 4: Acknowledge within the NFL guidance that some consumers may face barriers in identifying, disclosing or evidencing the full extent of their non-financial harm and will therefore be supported to explain the impacts they experienced and the circumstances that contributed to those impacts.

¹ Better Outcomes need better telco rules: <https://www.tio.com.au/news/better-outcomes-need-better-telco-rules>, 17 September 2026

Recommendation 5: Remove reference in the NFL guidance to taking a careful approach to considering whether compensation is appropriate and remove the assumption that it is likely most awards of compensation for NFL will be modest.

Recommendation 6: Explicitly state within the NFL guidance that assessments of consumer harm take account of individual circumstances, including vulnerability, colonial impacts on First Nations peoples, disability, cultural factors, safety considerations and consumers' experiences in regional or remote locations, to ensure compensation reflects actual harm and delivers substantively fair outcomes.

Recommendation 7: Increase the NFL limit to **\$15,000 per claim**, with awards of up to \$20,000 in exceptional circumstances, and review the revised framework after two years.

Recommendation 8: Establish a sustainable NFL framework that combines a meaningful and indexed compensation limit, discretion for exceptional cases, staff training, public reporting of outcomes, and regular evidence-based review, including a formal review after two years and ongoing monitoring of compensation trends, consumer outcomes and scheme performance.

Our recommendations are grounded in the hundreds of stories we have heard through our casework, including Regina's experience outlined below.

Case study #1 – Anglicare

Regina, not her real name, is a single mother of two. In 2016, she was sold two services with mobile devices, insurances, service subscriptions, and data plans with a minimum monthly commitment of \$334. Initially Regina made regular payments, but with the addition of significant extra data charges she didn't know about she fell behind and accrued a debt of more than \$1,700.

Despite this outstanding debt, Telstra added another mobile service and plan to the same account, significantly increasing the debt. At one point Regina received a bill of more than \$5,700 for 37 days of mobile usage and ultimately she incurred a \$16,000 debt for one year of telco services.

Regina continued to make payments until she received emails from a debt collector. These communications included "URGENT ACTION REQUIRED", Debt recovery Management", "reply to this email immediately", "escalation of the matter" and "pursue legal actions against you." The initial investigation by Telstra found the debt was not sold and the referral to the debt collectors was only confirmed when Regina produced the correspondence. When asked why this information was not provided, Telstra advised at the time that the information "is inside of

collection agency, and we do not provide this information in our investigations. We only advise when account was sold outside of collection agency.”

Regina was terrified the debt would incur a prison sentence and this caused extreme stress and anxiety. She believed her children would lose their mother and she would lose her employment and her home. She could not afford to pay for food or energy and nor could she provide suitable clothing and materials for school. The debt became a constant source of distress, affecting her sleep, emotional wellbeing, and ability to manage everyday life. It impacted her longstanding employment which had been a source of pride for years. She had never experienced significant debt and described herself as being careful with money, budgeting and managing her household expenses. She described feeling ashamed that the stress had affected her ability to be the mother she usually was. The debt had a physical and mental toll, and she used words such as “heartbroken” and “shame” when recalling her experience. She has an ongoing mistrust and lack of confidence in telco services.

Regina eventually finalised the debt with the help of family and community members who also believed she would otherwise be incarcerated so raised more than \$11,000 to help her pay it. In doing so Regina advised it was the most shameful day of her life because, “I knew my family could not afford to give me so much money and by doing so it was going to put them into financial difficulty.”

Anglicare lodged a complaint on her behalf, seeking \$20,000 in NFL based on the particularly egregious harm she experienced. After several months and meetings with Telstra, the initial compensation offer was increased from \$10,000 to approximately \$15,000. The matter was then taken to the TIO, which resulted in the TIO increasing the compensation to \$20,000. In doing so, the TIO acknowledged not only the severity of the impact caused by the misselling but also the harm caused by Telstra failing to take proactive steps to support Regina in meeting or reducing her financial commitments or lodging an IDR complaint.

Our responses to the questions in the Consultation Paper follow:

Scheme objectives and principles

1. What principles should guide the TIO’s approach to compensating non-financial loss?

In alignment with its Terms of Reference, its Fairness Framework and its Complaint Handling Procedure, the TIO’s approach to non-financial loss should be guided by fairness, reasonableness, accessibility, effectiveness, timeliness and consistency. Integral to a fair and reasonable outcome in the context of non-financial loss is the importance that consumers do not bear the uncompensated consequences of provider misconduct, service failure or poor IDR processes where those consequences were caused by the provider's action or inaction.

Fairness also requires an accessible process capable of delivering effective outcomes. The evidentiary burden should be proportionate and should not require consumers to obtain extensive, costly or impractical evidence to demonstrate distress, inconvenience or other non-financial harm. Excessive evidentiary requirements risk denying effective redress to consumers who face the greatest barriers to navigating dispute resolution.

Recommendation 1: *NFL Guidance should reference the TIO's Fairness Framework and make clear that fairness in the context of NFL compensation requires that consumers are not left to absorb the consequences of provider misconduct.*

2. Does the current NFL framework appropriately balance fairness, proportionality and consistency?

No. The current framework does not appropriately balance these principles because the limit is too low; the definition converts what should be a harm-based test into one relative to industry performance through reliance on a threshold of “unusual” harm; it risks placing excessive weight on assumptions about how a “reasonable” or “moderately robust” consumer should respond; and it risks undervaluing the nature and extent of harm through its stated expectation that a ‘careful approach’ be taken and that most awards are likely to be ‘modest.’

The limit is too low to ensure fairness, proportionality and consistency

The \$1,500 limit is too low to improve consumer outcomes, adequately recognise harm, or align compensation with the nature and extent of harm experienced when telecommunications providers breach the law or industry standards. It is also inconsistent with recent telecommunications remediation programs under which providers accepted that serious sales misconduct and its consequences could warrant compensation of up to \$20,000. Telstra's subsequent reversion to the \$1,500 limit means consumers experiencing comparable misconduct and harm may receive materially different outcomes based solely on when their complaints were lodged.

Balancing Fairness, Proportionality and Consistency Through Assessment of Actual Consumer Harm

The current framework relies on a relative threshold of consumers experiencing an “unusual degree or extent” of inconvenience, time, or interference with peace of mind. By requiring harm to be “unusual”, the framework normalises consumer detriment that has become widespread through persistent industry underperformance.

The telecommunications sector has a demonstrated history of systemic issues, unconscionable conduct, poor reliability and consumer harm. Where detriment has become widespread because of persistent industry underperformance, its prevalence should not reduce the likelihood of compensation. The assessment should focus on the harm experienced, not whether it was unusual compared to other harm caused by industry misconduct. Complaint data indicating persistent issues relating to provider delay or inaction and no phone or internet services are key drivers that have led to the telecommunications sector being one of the least trusted industries in Australia.² This reinforces the need for a framework that assesses harm directly rather than by reference to an industry-adjusted baseline.

The framework places undue emphasis on normative assumptions about how a reasonable or “moderately robust” consumer should respond when something goes wrong. This risks shifting the focus from the nature, severity and consequences of the provider’s conduct to a subjective assessment of the consumer’s resilience and response.

Consideration of whether a consumer took reasonable steps to minimise harm or contributed to the loss can shift the assessment away from the harm caused and towards whether the consumer responded as expected. Recognition of non-financial harm should not depend on demonstrating a particular level of resilience or resourcefulness. What is reasonable will vary according to a consumer’s circumstances, and consumers should not be disadvantaged where options that appear reasonable in the abstract were inaccessible, unsafe, unaffordable or ineffective in practice.

The impact of telecommunications and IDR failures is not experienced uniformly. The same conduct may have very different consequences depending on a consumer’s circumstances, including financial hardship, disability, family violence, language barriers, digital exclusion, caring responsibilities, remoteness, or reliance on telecommunications for safety, health care, cultural obligations, employment and community connection. Recognising these differences does not create unequal treatment; it reflects the principle that compensation should be assessed by reference to the actual harm suffered.

The TIO should expressly recognise within the NFL framework that consumer circumstances are relevant to the extent of harm experienced, even where those circumstances were not known to the provider. The absence of provider knowledge should not prevent consideration of harm caused by the conduct, particularly where the purpose of compensation is to recognise the consumer’s loss rather than assess the provider’s state of knowledge.

² Roy Morgan, ‘Australia’s Most Trusted and Distrusted Brands + Reputation & NPS Are Sub-Optimal’ (Press Release, 2 June 2026) <<https://www.roymorgan.com/findings/australias-most-trusted-and-distrusted-brands-reputation-nps-are-sub-optimal-webinar>>.

The framework should also recognise that some consumers may face barriers in identifying, disclosing or evidencing the full extent of their non-financial harm. Absence of detailed contemporaneous disclosure should not, by itself, be treated as evidence that the harm was minor, particularly where there are known barriers associated with trauma, shame, disability, language, cultural factors or vulnerability. Consumers should be given a reasonable opportunity to explain the impacts they experienced and the circumstances that contributed to those impacts. Staff should receive trauma informed training to support consumers to tell their story of harm safely.

Finally, it is difficult to reconcile the objective of recognising harm and ensuring compensation is aligned with the nature and extent of harm if the framework assumes a “careful approach” and that most awards of NFL compensation are likely to be “modest”.

Recommendation 2: Replace the current “unusual degree or extent” threshold with a harm-based assessment that focuses on the actual harm experienced by the consumer and does not normalise harm arising from widespread industry underperformance.

Recommendation 3: Remove reference to the “moderately robust” consumer as a threshold barrier to compensation and ensure that assessments focus on the provider’s conduct and the harm caused, rather than assumptions about consumer resilience or mitigation.

Recommendation 4: Acknowledge within the NFL guidance that some consumers may face barriers in identifying, disclosing or evidencing the full extent of their non-financial harm and will therefore be supported to explain the impacts they experienced and the circumstances that contributed to those impacts.

Recommendation 5: Remove reference in the NFL guidance to taking a careful approach to considering whether compensation is appropriate and remove the assumption that it is likely most awards of compensation for NFL will be modest.

3. Are there circumstances where the current framework does not adequately recognise consumer harm?

As stated previously, the current framework does not adequately recognise consumer harm because it is constrained by a compensation limit that is too low to reflect the true extent of non-financial loss that can arise when an essential service such as telecommunications fails. We have repeatedly seen serious harm caused by telecommunications failures, including sales misconduct resulting in unaffordable contracts, substantial debt, credit listings and aggressive debt collection; service loss affecting safety, health, income or caring responsibilities; failures

affecting households or communities that rely on a single service; and repeated failures to resolve complaints that prolong harm.

For consumers experiencing vulnerability, the consequences of telecommunications failures and poor IDR can be significantly greater than for consumers who have access to financial resources, alternative services, stable housing, transport, digital literacy, family support and strong social networks. A mobile phone or internet service is essential for maintaining contact with Centrelink, health services, family violence support services, schools, employers, financial institutions and emergency services. Telecommunication failures therefore have consequences well beyond inconvenience, causing distress, anxiety, exclusion and loss of access to essential services. Compensation frameworks must be capable of recognising those differing impacts.

These concerns are particularly significant for First Nations consumers. A legacy of dispossession, marginalisation and exclusion have resulted in barriers to accessing justice, including barriers relating to language, literacy, cultural safety, distrust of institutions and limited access to culturally appropriate support. The impact of telecommunications failures are also be amplified where telecommunications are critical to maintaining family connections, cultural obligations, community responsibilities and access to services.

The framework is also ill-suited to regional and remote Australia, where telecommunications services are often more critical because alternatives are limited or non-existent. Consumers in regional, rural and remote communities frequently face reduced provider choice, longer restoration times, limited access to face-to-face services and greater reliance on a single telecommunications service to access health care, education, employment, banking, government services and emergency assistance. While consumers in metropolitan areas may have practical alternatives available, a service failure in a regional or remote community can effectively cut people and communities off from essential services, support networks and opportunities to seek assistance.

While vulnerability is recognised in other TIO guidance, including the Fairness Framework, it is largely absent from the NFL guidance. The NFL framework should explicitly recognise that the impact of provider conduct may be significantly greater for consumers experiencing vulnerability, First Nations peoples and those living in regional and remote communities. Failing to account for these circumstances risks producing outcomes that are formally consistent but substantively unfair.

Recommendation 6: *Explicitly state within the NFL guidance that assessments of consumer harm take account of individual circumstances, including vulnerability, colonial impacts on First Nations peoples, disability, cultural factors, safety considerations and consumers’*

experiences in regional or remote location, to ensure compensation reflects actual harm and delivers substantively fair outcomes.

Adequacy of the current limit

4. Is the current \$1,500 non-privacy NFL limit appropriate?

As stated previously, the current \$1,500 limit is not appropriate. Telecommunications are essential services and failures can have significant and wide-ranging consequences, affecting safety, wellbeing, financial security and participation in everyday life.

Compensation limits are inherently limited because they leave harm above the prescribed amount uncompensated and transfer that cost to consumers. However, simply removing the limit may not improve outcomes if non-financial harm continues to be assessed conservatively.

We therefore support a **\$15,000 limit per claim, with awards of up to \$20,000 in exceptional circumstances**. This would provide a meaningful benchmark for a scaled approach to compensation while allowing serious harm to be valued more realistically. The revised framework should be reviewed after two years.

Recommendation 7: Increase the NFL limit to \$15,000 per claim, with awards of up to \$20,000 in exceptional circumstances, and review the revised framework after two years

5. If not, what evidence supports an alternative limit?

The strongest evidence supporting a higher limit comes from the telecommunications industry itself. Telstra and Optus have both recognised that \$1,500 is inadequate to compensate consumers harmed by widespread sales misconduct and have paid materially higher amounts for non-financial loss through remediation programs. In 2022, the TIO reached an agreement with Telstra whereby Telstra agreed to be bound by the removal of the \$1,500 limit and, in many cases over the past four years, amounts of up to \$15,000 have been awarded with up to \$20,000 awarded in exceptional cases. This 'Escalated Process' operated without controversy and demonstrates support for an alternative limit.

The case studies attached to this submission provide examples of the kinds of outcomes that have been achieved through these remediation programs.

Telstra's decision to revert to the existing limit for misselling cases from July 2026, after more than five years of acknowledging its inadequacy highlights the importance of increasing the

limit, as providers may otherwise revert to compensation outcomes anchored to the existing limit, regardless of whether the limit adequately reflects the harm experienced.

While placing a monetary figure on non-financial loss can be challenging, ACCAN has gone some way to understanding the cost telecommunications outages can impose upon consumers.

Preliminary research by ACCAN, reviewed by FTI Consulting, found that the harm to consumers per hour of an internet outage is \$22.80.³ The model estimates the value by drawing on established values through a benefit-transfer approach. Importantly, the model incorporates consumers' non-economic losses, taking a holistic approach that estimates the approximate inconvenience consumers experience from service failures. We consider the model to be a useful starting point for determining non-economic loss resulting from telecommunications failures and have attached the report to our submission. We note that it is only a starting point because it does not estimate the consequential stress, interference with peace of mind or injury to feelings that are experienced when failures occur and for which awards of non-financial loss are also seeking to remedy.

6. What factors should be considered in determining an appropriate compensation limit?

The factors that should be considered include:

- the essential nature of the affected service and the consumer's reliance on it for safety, health, work, education, payments, government services, caring responsibilities and community connection;
- the severity, duration and cumulative effect of distress, inconvenience, time, interference with peace of mind, injury to feelings and loss of dignity;
- the consumer's circumstances and the practical availability of alternatives or mitigation measures;
- whether one service supports multiple household or community users;
- the provider's complaint handling, including avoidable delay, repeated contacts and failure to implement agreed resolutions;
- comparable consumer redress settings and telecommunications remediation outcomes; and
- the need for a limit that is high enough to preserve meaningful differentiation between low, moderate, serious and exceptional harm.

³ FTI Consulting, Valuing consumer time in internet outages (Summary Report, September 2026)

7. Should any future limit be fixed, indexed, periodically reviewed or adjusted through another mechanism?

The limit should be indexed annually so its real value does not erode. Indexation should be supplemented by periodic substantive review, because changes in technology, consumer reliance, industry practices and community expectations may not be captured by inflation alone.

Consumer outcomes

8. Does the current limit adequately recognise non-financial harm experienced by consumers?

The non-financial harm experienced by consumers through telecommunication failures is heard time and again in reporting about peoples' experience of major outages through to the large-scale remediation programs run by Optus and Telstra.

As the Ombudsman has stated in the TIO's latest report regarding the experiences of telco consumers in regional and remote Australia:

For many people in regional, rural and remote communities, outages are more than an inconvenience. They can affect access to Triple Zero, health and support services, work, payments, transport, and the ability to check on family and community members.

With greater distance from neighbours and services and fewer connectivity alternatives, disruptions can be harder to resolve and the impacts can be prolonged in remote areas.⁴

Judicial findings and enforceable undertakings concerning Telstra⁵ and Optus⁶ have recognised that sales misconduct caused serious financial hardship and non-financial harm, including distress, embarrassment, anxiety, shame and fear arising from unaffordable debts, debt collection and adverse credit consequences.

In the face of these experiences, a \$1,500 limit will never adequately recognise the non-financial harm experienced by consumers caused by telecommunication failures.

9. Are there particular categories of complaints where the current limit appears insufficient?

⁴ TIO, *Left behind: Experiences of telco consumers living in regional, rural and remote Australia*, Systemic Insights Report, p.4

⁵ [ACCC v Telstra \[2021\] FCA 502](#) see comments by Justice Mortimer at paragraphs 1 and 69

⁶ [Variation to Undertaking to the ACCC given by Optus Mobile Pty Ltd](#), 16 February 2026 at page 5

The limit is particularly insufficient for serious mis-selling; the sale of unaffordable contracts; prolonged or repeated loss of service; inability to contact emergency, health or support services; inappropriate debt collection; adverse credit consequences; prolonged complaint handling failures; failures affecting safety, financial hardship or family violence circumstances; and cases involving multiple affected users or repeated misconduct.

However, categories should not be confined to extreme misconduct. A series of ordinary service and complaint handling failures can produce substantial cumulative harm, particularly where the consumer must repeatedly contact the provider or has no practical alternative service.

10. Are there particular categories of complaints where the current limit appears excessive?

There are no categories of complaint in which the limit is inherently excessive. A higher maximum does not require a higher award in every matter. The TIO retains discretion to award an amount proportionate to the proven harm.

11. Are there circumstances where consumers experience harm that is not currently well recognised within the NFL framework?

The framework does not sufficiently recognise cumulative harm, the practical consequences of losing an essential service, barriers to disclosure by consumers of the impact, harm affecting dignity and cultural or community standing, and the additional burden created by repeated or ineffective complaint handling. It should also better recognise that one account or service may support several people.

Impact on dispute resolution

12. Does the current limit influence complaint behaviour, settlement discussions or expectations through the TIO process?

A limit operates as an anchor in internal and external dispute resolution, defining the provider's maximum exposure at the TIO. For this reason, a low limit weakens the incentive to make an offer during IDR that reflects the nature and extent of harm above that amount. For consumers, a low ceiling reduces the potential value of escalation relative to the time, effort and emotional cost of pursuing a complaint. Advocates have many examples where providers have resolved the financial impact of unlawful conduct but failed to provide any NFL compensation for the significant harm caused by that conduct. However, when advising consumers of their right to seek NFL through the TIO, the low limit operates as a disincentive for consumers to invest further time, energy and emotional effort in pursuing recognition of that harm.

At the same time, consumers contacting ACCAN who were unaware of the limit have often sought significantly higher compensation and are disappointed by the outcome after investing considerable time and energy pursuing external dispute resolution.

Persistent TIO complaint data about provider delay or inaction, service absence and unresolved and escalated complaints provide little evidence that the current framework is materially changing provider behaviour. Where the likely consequence of prolonged inconvenience, stress and time spent resolving a complaint is modest, providers may have insufficient incentive to invest in prevention, early remediation and effective complaint handling.

13. Would a higher or lower limit affect the willingness of parties to resolve complaints through conciliation?

A higher limit should strengthen incentives for providers to assess harm seriously and make appropriate early offers, because the consequence of failing to resolve a meritorious claim would no longer be confined to \$1,500. Consumers may also have greater confidence that pursuing conciliation can produce a meaningful remedy.

14. What unintended consequences might arise if the limit were changed?

For all the reasons highlighted above, the risks associated with retaining the current limit are likely to outweigh the risks associated with a well-designed increase to the limit.

Significantly, the current limit risks non-compliance with the *Benchmarks for Industry-based Customer Dispute Resolution*, particularly the effectiveness benchmark, which requires:

1. “The scope of the office (including the decision-maker’s powers) is sufficient...” and
2. “The decision-maker has the power to make monetary awards of sufficient size...”

Benchmarking and community expectations

15. What lessons can be drawn from comparable Australian or international dispute resolution schemes?

Recent developments in comparable dispute resolution schemes suggest growing recognition that low non-financial loss limits may not adequately reflect contemporary consumer harm or incentivise improved consumer outcomes.

For instance, AFCA is seeking to double its NFL as part of its role in determining disputes arising under the scams prevention framework.

In New Zealand, the Regulatory Impact Statement for Establishing Consistent Jurisdictional Rules for Approved Financial Dispute Resolution finds that “a higher value inconvenience

award may help to incentivise providers to act promptly on complaints” and “could also create a stronger incentive for providers to treat consumers fairly during the complaints process.”⁷

16. How should contemporary community expectations influence NFL compensation settings?

AND

17. Have community expectations regarding non-financial harm changed since the current limit was established?

In response to questions 16 and 17, community expectations should influence NFL compensation settings because of the essential role that telecommunication services play. Consumers reasonably and increasingly expect providers to prevent avoidable harm, respond promptly when failures occur and provide remedies that recognise the real consequences of misconduct or service failure.

This is demonstrated by TIO data⁸ which highlights increasing complaints involving claims for non-financial loss.

It has also been recognised in recent government reviews of the sector:

“Australia’s telecommunications networks underpin essential government, public health, and safety infrastructure... and facilitate almost every aspect of our everyday home and work lives. What we have come to expect from our telecommunications services has been shaped by this reliance.”⁹

ACCAN research has found that the majority of consumers (76%) support automatic compensation to customers if mobile phone network providers fail to meet acceptable service standards.¹⁰ Consumers’ expectations for compensation are also reflected in public responses to large-scale outages in recent years, with many consumers frustrated by a lack of appropriate compensation offers from major telecommunications providers.¹¹

⁷ <https://www.regulation.govt.nz/assets/RIS-Documents/ria-mbie-ecjrfd-oct22.pdf> - see pages 29 and 15 respectively.

⁸ TIO, [Complaints Data Insights, Quarter 2 Report, October to December 2025](#)

⁹ Australian Government, Department of Infrastructure, Transport, Regional Development, Communications and the Arts, [Review into the Optus outage of 8 November 2023 – Final Report](#), 21 March 2024, p.7

¹⁰ Australian Communications Consumer Action Network, *Consumer Sentiment Tracker Wave 3: Reliability* (March 2026) <<https://www.accan.org.au/research/consumer-sentiment-tracker-wave-3>>

¹¹ ‘Optus Paid Just \$481,000 Compo for Day-Long Outage’, *Information Age* <<https://ia.acs.org.au/article/2024/optus-paid-just--481-000-compo-for-day-long-outage.html>>; ‘Telstra Slammed for Putting “burden of Proof on Consumers” for Compensation’, *ABC News* (online, 14 July

Operational and system implications

18. What impacts might different compensation settings have on:

Consumers - improved access to meaningful redress and greater confidence in the TIO. Clear guidance and published outcomes would improve predictability and support consumer understanding of what information is relevant.

Providers - increased incentives for prevention, early remediation and fair internal settlements. Providers that prevent harm and resolve complaints promptly will face lower overall exposure.

Complaint resolution processes – possible short-term growth in claims, offset by potential improvements in internal resolution over time.

Scheme administration – the need for updates to guidance, systems, staff training, quality assurance and data reporting.

We note that the New Zealand *Regulatory Impact Statement for Establishing Consistent Jurisdictional Rules for Approved Financial Dispute Resolution* did not find any significant adverse impacts associated with increasing the ‘inconvenience’ award.

19. Are there alternative approaches, other than changing the limit itself, that could improve outcomes?

For all of the reasons provided, we believe that increasing the limit itself is the only viable means by which redress outcomes can be improved for consumers. Complimentary approaches should also be introduced such as clearer definitions, clearer guidance, better consumer information, accessible and culturally safe processes for inquiry into the impact, reporting of case outcomes, staff training and quality assurance.

20. What implementation considerations should be taken into account if changes were made?

The revised settings should apply to all new and open complaints that have not reached a final binding outcome. The TIO should publish a commencement date, revised guidance and examples before implementation.

2026) <<https://www.abc.net.au/news/2026-07-15/telstra-outage-compensation-losses-business/106913556>>.

The TIO should train decision-makers and conciliators, consult consumer and industry stakeholders on guidance, ensure the process is accessible and culturally safe, and establish baseline data so the effects of reform can be evaluated.

Future framework

21. What framework would best ensure that NFL compensation settings remain appropriate over time?

A sustainable framework should combine a meaningful limit, indexation, exceptional-case discretion, public reporting of case outcomes, transparent governance and regular evidence-based review. The Board should receive periodic reporting on award distributions, matters at or near the limit, settlement outcomes, time to resolution, consumer experience and consistency of decision-making.

A formal review after two years should assess whether the revised limit is recognising harm, improving early resolution and supporting scheme confidence without creating material unintended consequences. Subsequent reviews should consider inflation, changes in telecommunications reliance, complaint trends, remediation outcomes and comparable scheme developments.

Recommendation 8: *Establish a sustainable NFL framework that combines a meaningful and indexed compensation limit, discretion for exceptional cases, staff training, public reporting of outcomes, and regular evidence-based review, including a formal review after two years and ongoing monitoring of compensation trends, consumer outcomes and scheme performance.*

CASE STUDIES

Case study #1 - Bush Money Mob

Sara (not her real name) lives in Broome in Western Australia. She is a mother of three and is responsible for a large extended family.

From 2008 to 2012 Sara was signed to 12 large mobile accounts from Telstra with monthly bills sometimes reaching over \$900 or even \$1300. Her financial counsellor described the accounts as being all over the place and it took some time to wrap their head around what happened to their client. Sara described to her financial counsellor always feeling "completely swamped" by her Telstra bills, and paying them through a fear of court and by going without household basics. She described the bills as "horrific" and advised not being able to get credit or do anything financially.

The financial counsellor could not work out how Sara had any Centrelink money left for food after paying such numerous bills. Sara relied extensively on family for support. For the large bill amounts to be so far above the Minimum Monthly Commitment the financial counsellor concluded that they included massive excess data charges. On one account alone, Sara had paid Telstra more than \$18,767 between 2008 and 2016. Affordability was never measured or considered, and no Telstra staffer ever offered Sara a simple prepaid option.

By 2016 she was completely overwhelmed by the huge bills, could no longer make enough sacrifices to pay them, and so Telstra placed an adverse credit listing on her file, and sold the debt. Sara then faced five years of harassment by the debt collectors. Sara said: "I was crippled for years."

After Bush Money Mob's advocacy, **Telstra agreed to pay Sara \$15,000 in compensation** for the non-financial loss she experienced as a result of Telstra's conduct, plus a full refund and interest from 2008 onwards.

Case Study #2 – Bush Money Mob

Bush Money Mob's client, Maddy (not her real name) had travelled as a young, 18 year old woman from a very remote island community to Brisbane to study. At the age of 19 she was signed up to a Telstra account under which the credit assessment claimed that not only was she a 'Manager/Supervisor' but that she had been in that job for ten years. In fact, Maddy was studying at TAFE full-time and receiving Abstudy from Centrelink as her only income.

Maddy told her financial counsellor that she really struggled living on such low Centrelink payments and could never afford a post paid contract so had in fact gone into the store to organise a prepaid service and been subjected to pressure selling.

From 2012 until 2024, Maddy was signed to 26 different Telstra mobile contracts, with some of these including accessories she did not know she was being charged for because she'd been told in store she was able to use her Telstra points to obtain these items 'free'.

In 2020, the credit assessment for one of her accounts indicates a device limit of one, however, Maddy was assigned to around seven devices. There were also two defaults clearly listed on her credit assessment, yet she was still signed to a contract costing her \$307 per month. This rose to \$512 per month.

Maddy was aware of what would happen if she didn't pay as her husband had been harassed by Telstra's debt collectors and had had his financial life frozen for five long years. Maddy was terrified of the same treatment. She could only afford the high monthly amounts by going without basic necessities for her family. However, she felt even more scared of the debt collectors and the risk of court action so she kept paying in full. She advised her financial counsellor that "many, many times I had to ask extended family to buy food for my family because I was prioritising the Telstra bills."

Maddy ended up with bills of \$724 per month and rang the Telstra Contact Centre to reduce her bills. Despite telling Telstra "I can't afford the bills", they were only dropped to approximately \$400 per month. She says that: "Many times I asked the Telstra Call Centre staff for hardship assistance, or payment plans, or extensions and they never once told me I might be entitled to some sort of remediation. Maddy advised that she'd stuck with Telstra because it was the only service in the island community where she came from, and she felt she had no other option.

In describing the impact on her she advised: "Whenever I was speaking to the hardship or credit teams at Telstra, they would warn me that if I didn't stick to the payment plans my debt would be referred to the debt collectors. I was terrified of these threats, and even though I couldn't afford these plans, I kept paying out of fear."

Telstra agreed to pay Maddy \$15,000 in compensation for the stress and fear she experienced as a result of its conduct, plus \$81,000 in refunds and interest.

Case Study #3 – Bush Money Mob

Sandy (not his real name), is an Aboriginal man living on a mission in a remote desert community whose sole source of income is Centrelink. English is his third language and he has low literacy.

He was provided a Telstra post-paid phone through what appear to be manipulated credit assessments where he was listed as working in hospitality and management in New South Wales. He has never worked in either role, nor visited NSW.

Sandy was sold mobile contracts when there was no mobile reception at the time in his small community. He could only use the mobiles when he visited larger towns at least three hours drive away. He was terrified of the very large and unaffordable bills he received from Telstra. He was harassed by Telstra's debt collectors and feared court and prison, and loss of custody of his children, because judgement Orders by companies against consumers in the Magistrates Court were very common in Western Australia. Sandy struggled to repay the debt collector in full and a credit listing was made on his credit report. Despite this listing, Telstra again provided him with another unaffordable contract 18 months later under which he was liable for \$159 per month. Multiple accounts were provided to Sandy over the course of six years with the 7th

account involving the sale of multiple devices and unaffordable repayments of \$224 per month - a very large sum for someone in a remote community living on Centrelink with a large family to feed.

Telstra agreed to pay Sandy \$15,000 compensation for one incident of misselling on the fourth account, plus an additional \$7,000 for misselling on the seventh account (**\$22,000 compensation in total**) plus \$9,920 in refunds and interest.

Case Study #4 – Bush Money Mob

Maxine is a remote desert woman from a tiny community in the Great Sandy Desert in Western Australia. She and her husband moved to rundown public housing in Alice Springs with their five children several years ago. Both Maxine and her husband were signed to unaffordable mobile contracts in the Alice Springs Telstra store in 2015. Maxine's contract was for \$250/month repayments. Both clients were forced to take out loans from Centrelink to repay Telstra's debt collectors.

In 2017, Maxine began paying the debt collectors \$3,600 over four years from her parenting pension. Maxine struggled to pay them. She told her financial counsellor: "I felt very depressed and nervous every time they humbugged me".

By 2021 the harassment stopped so Maxine thought she had repaid the wrongful debt in full. Then in February 2025 the debt collector called her out of the blue wanting more money - in the same week Maxine's mother had died and she was frantically trying to arrange the funeral. Telstra then falsely claimed the debt had been bought back from the debt collector years before. Telstra also understated the full amount Maxine had paid the debt collector by \$1,000. The funeral was postponed because Maxine's family did not have enough money to pay for it.

Telstra agreed to pay Maxine \$20,000 compensation plus \$6,900 in refunds and interest.