

# Reasonable notice must be given about contract changes

ACMA has introduced measures to encourage consistent practices by the telecommunications industry and improve information to consumers about changes to a standard form of agreement.

Standard forms of agreement are pre-set contracts that customers do not sign but rather agree to by the act of buying the service. Like many industries with volume transactions where it is not practical to have individual contracts, the telecommunications industry uses them to set terms and conditions for a range of services.

A standard form of agreement must be provided in writing by the telecommunications service provider on request and outlines the standard terms and conditions associated with the purchase of products or services. These terms and conditions may form all or part of the contract. Where the standard form of agreement is excessively long or detailed, service providers must assist consumers by producing summaries of the standard forms of agreement that include general information.

The new measures are set out in the *Telecommunications (Standard Form of Agreement Information) Amendment Determination 2006*, which outlines the obligations of the service provider in providing information to the customer about terms and conditions contained in a standard form of agreement. Previously, customers could be advised of changes to a standard form of

agreement with only three days notice by way of indirect notice such as a public announcement in a newspaper.

Under the changes, customers must be provided with reasonable notice of changes to the terms and conditions. In giving reasonable notice, the provider must have regard to issues such as:

- the nature of the variation
- the means by which notice is provided and
- the length of time before the variation will take effect.

The onus is on service providers to determine what is reasonable in advising changes to terms and conditions and they should refer to the notification provisions set out in *Industry Code ACIF C620:2005 Consumer Contracts*. This code was developed by the Australian Communications Industry Forum and registered by the Australian Communications Authority in May 2005.

The code established improved notice provision benchmarks for certain types of consumer contracts, primarily those that were for services provided for a fixed term. It provides that consumers should be advised of changes to terms and conditions by way of direct contact with at least 21 days notice.

The amendment determination has resolved inconsistencies between the Consumer Contracts Code and the previous (2003) determination to encourage consistent customer contract practices by industry. ACMA would like to see the

telecommunications industry develop a code that would provide the same notice benchmarks for all forms of consumer contracts, not just fixed-term contracts.

If not satisfied with the response of their provider to a complaint about contract-related issues, consumers can take complaints to the Telecommunications Industry Ombudsman.

ACMA will begin monitoring compliance with the changes introduced by the amendment determination after 3 July 2006. The determination is on the ACMA website at [www.acma.gov.au](http://www.acma.gov.au) (go to Consumer > Information Portals > Information about Contracts) and the code is also on the website (go to Industry > Codes > Register of Codes).

