

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 81

Topic: Telecommunications Scams

Hansard Page: E107 (02/06/2010)

Senator BUSHBY asked:

Senator BUSHBY—I have some questions about so-called telecommunications scams. Can you indicate how many complaints the commission has received from small businesses in relation to telco finance scams, where cheap calls are offered and so-called free plasma TVs or similar equipment are offered as part of the deal?

Mr Gregson—The ACCC has a matter before the courts involving allegations similar to that which you have raised. We have received a large number of complaints not only in relation to those matters before the court but also in relation to perhaps similar conduct.

Senator BUSHBY—Can you indicate the scale? What does ‘a large number’ mean?

Mr Gregson—I might have to take that on notice, Senator.

Senator BUSHBY—Are we talking tens, hundreds, thousands?

Mr Gregson—I think we will take it on notice, Senator—but certainly more than tens.

Senator BUSHBY—Obviously you have investigated those to some extent because you have a matter before the court. I presume that there are other cases or other allegations that have been raised that you are currently looking into as well?

Mr Gregson—Certainly; we look at a number of those complaints. We also look at other ways of ensuring compliance outcomes not only by education but also by working with others in the industry to try to address some of our concerns.

Answer:

In the period between 10 February 2010 (the date of the ACCC’s Additional Estimates 2009–10 hearing) and 30 June 2010 the ACCC received 130 contacts in relation to a particular type of telecommunications-finance scams pertaining to small businesses. The small businesses allege that they have been induced by various telecommunication service providers to purchase telecommunication services on the basis of various misleading representations made by that telecommunications service provider.

These representations included an entitlement to ‘free’ goods, namely a plasma television and telephone equipment when in fact the business was required to pay for the goods under a finance agreement with a third party finance company.