

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

**Budget Estimates**

1 June – 3 June 2010

**Question: BET 308**

**Topic: Telco finance scams**

**Hansard Page: Written**

**Senator Eggleston asked:**

Will the ACCC outline if it has investigated the cases of Telco Scams of the ACCC's investigation into Telco Scams?

When is the ACCC likely complete the investigation? If it has been already completed what was the outcome?

**Answer:**

The ACCC directs the Committee to responses provided at the estimates hearing to questions asked by Senator Bushby.

The ACCC is aware that bundled telecommunication services and equipment rental contracts continue to be of concern to small business consumers and may raise concerns under the *Trade Practices Act 1974*.

The ACCC has undertaken a number of activities to address these concerns.

On 2 October 2008 the ACCC instituted proceedings in the Federal Court of Australia against 28 respondents, including 16 telecommunications and related companies, three finance companies and nine directors and key employees of the entities. This matter remains before the court and is unlikely to be completed for some time.

Ancillary to these proceedings, the ACCC has undertaken a number of initiatives with a view to addressing concerns raised. The ACCC has sought to assist a number of small business complainants and is considering intervening in private proceedings to help clarify the rights of the small businesses.

At the same time, the ACCC has undertaken education and compliance activities to draw the attention of business to the practices of concern.

Finally, the ACCC has been involved in ongoing discussions with a number of financial institutions about their positions on the pursuit of completion of the relevant finance contracts.