

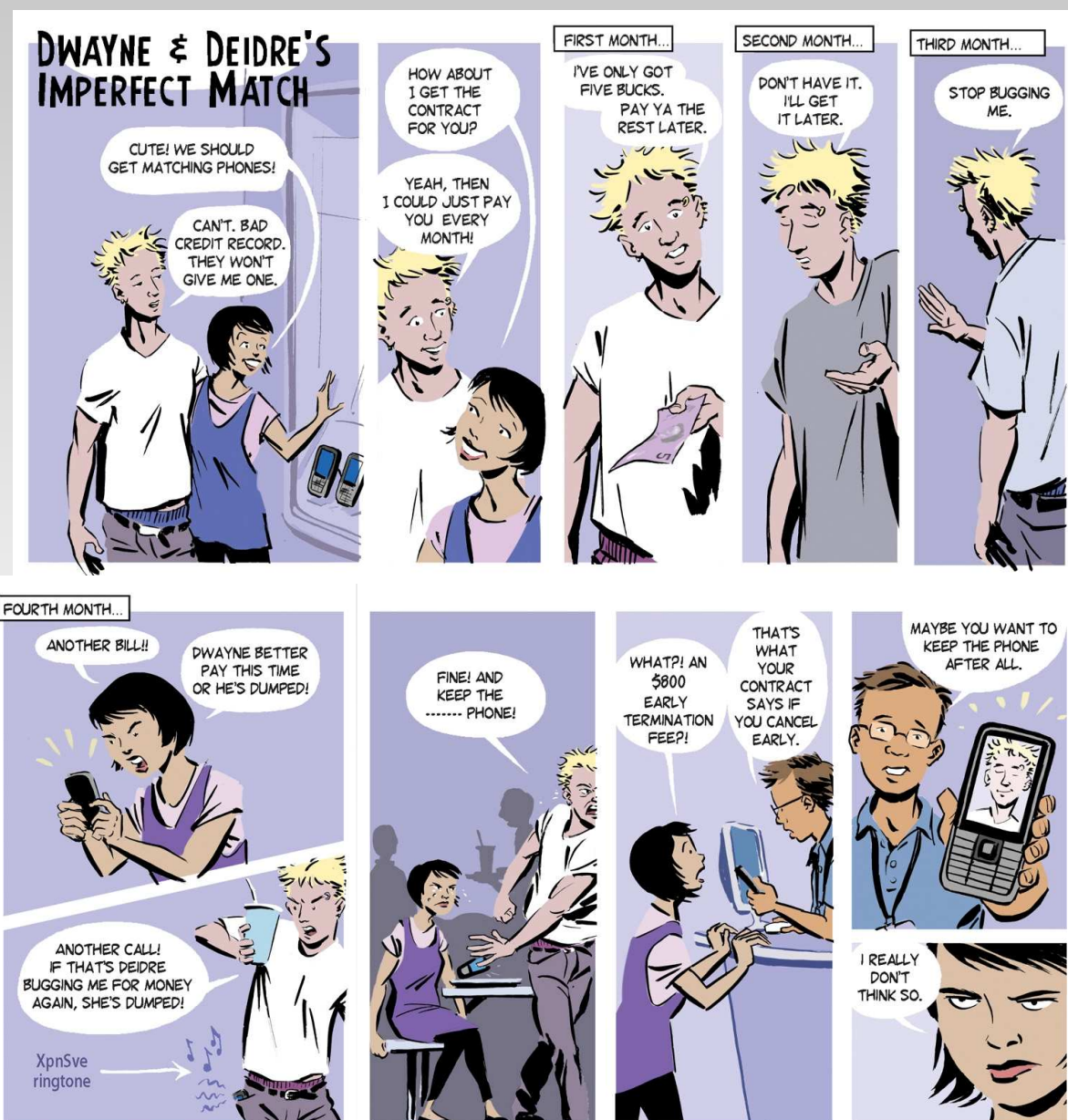
Getting a new mobile?

So you've seen the latest model phone and you've just got to have it. Before you sign up to a contract or buy it there are a few things you should know:

- Mobile phones are one of the major causes of debt for Australians, particularly young people.
- When choosing a phone, pick one that suits your needs and your budget!

When looking at which phone to buy you should:

- Shop around as much as possible.
- Compare different plans and prices.
- Not let yourself feel pressured by salespeople to sign up on the spot.
- Think about whether you should go pre-paid or on a plan.



Pre-paid or Plan?

Pre paid: The good thing about pre-paid is you can't exceed your budget, because you pay in advance so it's a good idea if you don't have a lot of money. Your call costs may be higher than on a plan but you won't owe any money.

A fixed term contract or plan: means you have to sign a contract for usually 2 years and have to pay a minimum monthly payment over that time.



\$0 for a handset, it's free!

Don't be fooled by advertising or salespeople who offer you a 'free' or 'cheap' phone if you sign up on a contract.

You should be aware that:

- The minimum amount you have to pay each month will include the cost of paying off the phone.
- If you fail to pay the minimum monthly amount you may be forced to return the phone.
- This will make it harder and more expensive for you to get out of the contract if you want.
- Mobile phone deals may involve two different contracts: one with the service provider and the other with the dealer for the handset.

I'm 18 can I get a contract?

In Victoria you must be 18 to enter into a mobile phone contract. If you are under 18 and you sign a contract it is not valid. This means the service provider/dealer cannot force you to pay, and can require you to return your phone and deny you mobile phone services.

Signing on behalf of someone

This is a very risky step and you should think carefully about it. If another person or friend wants you to sign the contract for them because they are under 18 you need to know a few things:

- Even if you are signing 'on behalf' of someone else, you and you alone will be fully responsible for any amount owing on the bill, even if the other person agrees to cover the costs.
- The phone company does not care if you are not using the phone, if you signed the contract, you have to pay!

Think before you sign

Make sure you:

- Know what you're getting into. Don't rely on the salesperson or information they give you.
- Make sure you ask lots of questions and understand what you are committing to.
- Take the contract home and read it over *before* signing.
- Do not feel pressured to sign on the spot.



Before you sign anything you should think about the following:

- Will this phone service work in my area? Mobile phone networks do not cover all areas especially in the country or outer suburbs so check first.
- What is the minimum cost of the whole contract, including paying off the phone, your plan and any fees and charges?
- How long does the contract last for?
- What are the call rates once I go over my limit/cap?
- What is covered under the cap (for instance, voicemail services may not be included)?
- Can I change my plan/cap while I am on the contract, and how much will it cost?
- How much will it cost to end my contract early?
- How often will I receive a bill?
- Does the contract include a handset or do I have to buy my own?
- What if I lose or damage the handset? Do I still have to keep paying?

Once you sign the contract you are legally responsible for paying the bills. By law once you have signed the contract you are saying you understand and agree to all the terms and conditions (even the ones in small print).

Make sure you have a copy of anything you have signed.



I changed my mind, can I get out of the contract?

Many people believe they will have a cooling-off period where they can get out of a mobile phone contract within a certain time without paying a penalty. This is usually not the case. There is only a small percentage of mobile phone contracts where there is a cooling-off period. There are two *sales methods* where statutory cooling-off periods applies. If you have signed up to a mobile phone contract through a door-to-door salesman or telemarketing the law says that you must be given a cooling-off period.

I can't pay my bill

Do not forget about your bills and think they will sort themselves out. If you can't pay any or part of your mobile bill then you should:

Contact your service provider immediately! Ask for an extension of time to pay what you still owe.

Remember if they agree to this you should get a copy of this in writing to prove it!

If you don't pay your bill the phone company can:

- Ring and write to you demanding that you pay,
- Ultimately take you to court.

Debt collectors

If you are being hassled by a debt collector see the fact sheet "I'm Being Hassled by a Debt Collector" on the Consumer Action Law website:

www.consumeraction.org.au



In real trouble?

If you think you won't be able to pay the debt at all then you should get financial/legal advice immediately.

See "Where to go for help" below.

Ringtones and downloads

There are lots of websites and ads that offer the latest ringtones, wallpapers, games, music videos and many other downloads. Although you might only want one particular download, many providers automatically sign you up to very expensive subscription services.

You should remember that if you are asked to ring a 19 number, enter your mobile number into a website, or ring a recorded voice service and enter your mobile number you are likely to be agreeing to receive a *mobile premium service* that can be very costly.

If you have a prepaid mobile phone and your credit runs out very quickly after you recharge your phone this may be because you are continuing to be charged for a premium mobile phone service.

For more information about what to do if you have a complaint visit www.19sms.com.au

You can avoid getting a huge bill by always reading the terms and conditions before you SMS or agree to receive your download!

It might be hard to read the fine print on the TV or website but it could save you a lot of money and hassle!

Hold off getting that 'must have' download till you know:

- Whether it will work on your handset
- How much it costs? (eg. If it says the cost is for a 'sent and received message' (i.e. \$5) then the total cost you will be charged is \$10 for one message)
- Whether you are signing up to a subscription service or other ongoing charge service? Some people have been charged as much as \$80 for what they thought was 1 ringtone, so watch out!
- How do you unsubscribe to stop the service?



To opt out or unsubscribe SMS the word "STOP" to the specified 19 number. For more information visit www.19sms.com.au

Where to go for help

If you think you've been overcharged or are paying for something you didn't ask for you should contact the service provider immediately. If they don't help you satisfactorily you can contact:

Telecommunications Industry Ombudsman

The TIO is an office of last resort to be involved in your dispute once all avenues for resolution with your mobile phone company have been explored.

Their website including online complaint form: www.tio.com.au

Mail address: PO Box 276, Collins Street West, VIC 8007
Phone (freecall): 1800 062 058

Also, for advice and referral:

Consumer Affairs Victoria Helpline

For your nearest financial counsellor and information on credit and debt issues call Consumer Affairs Victoria
Ph: 1300 55 81 81
Web address: www.consumer.vic.gov.au

Consumer Action Law Centre

Consumer Action Law Centre is a specialist community legal centre providing legal advice and assistance around consumer and credit related issues.
Ph: 9629 6300 or 1300 881 020
Web address: www.consumeraction.org.au

MoneyHelp is a free phone financial counselling service for those who have recently lost a job or had their work hours reduced or who are experiencing mortgage or rental stress .
Ph: 1800 149 689
Web address: www.moneyhelp.org.au

Australian Competition and Consumer Commission (ACCC) Infocentre
On 1300 302 502

Or for legal advice contact us:

YouthLaw
19 King Street Melbourne
Phone: 9611 2412
Email: info@youthlaw.asn.au

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