



Consumer Data Right Sectoral Assessment: Telecommunications

Submission from Finder
August 2021

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About Finder

Finder.com.au (“Finder”, “we”) is a global fintech that helps consumers all around the globe make better decisions about a range of complex products and services. In Australia, more than 2.5 million Australians use our comparison tools, decision engines and educational material each month¹.

We compare over 1,800 brands across more than 100 product categories, including credit cards, home loans, transaction accounts, savings accounts, insurance products, superannuation, telecommunications, energy, cryptocurrency platforms and shopping deals. Finder was set-up by three Australians and has remained independent over the years despite significant growth taking it to over 400 employees around the world across seven different offices. We exist to help people make better decisions and our co-founders that still run the business have never lost sight of the transformative capacity of technology to improve people’s lives.

Finder has offered comparison services in the telecommunications sector in Australia since 2011 and continues to help thousands of customers a month find new internet and mobile phone deals. From a Consumer Data Right (CDR) perspective, we continue to be very supportive of the regime, which we believe will empower Australians to take control of their personal data and use this information to make better financial decisions. Finder was the first comparison service to get accredited as data recipient for the CDR in Australia in May 2021 and we continue to advocate for the CDR to be introduced to more sectors.

¹ 2.5 million average unique monthly audience (Aug 2019 – Jul 2020), Nielsen Digital Panel

Overview of this submission

In this submission we share our consumer research on the telecommunications sector, our view on the relative priority of the telecommunications sector for the CDR and responses to the questions outlined in the Sectoral Assessment Consultation paper. To make it easier to navigate, we have split this submission into three distinct sections:

- **Section 1: Finder consumer research on telecommunications offerings in Australia**
In this section we use our significant base of consumer research to provide insights on the market for telecommunications services in Australia. Broadly, it is a sector that most consumers participate in and are relatively happy with the value that is being provided.
- **Section 2: Views on the relative priority of CDR for telecommunications compared to other sectors**
In this section we share our top level views on the relative priority of introducing the CDR to telecommunications as opposed to other sectors. It is our view that introducing the CDR to other sectors such as insurance and superannuation can offer more value to consumers and, as such, should be prioritised before telecommunications.
- **Section 3: Response to questions from Sectoral Assessment Consultation Paper**
In this section we will provide some specific responses to the questions raised in the consultation paper where we think we can add value including on specific datasets that might provide consumer value.

We have written each section such that they can be read and referenced independently. As always, Finder is very happy to provide further information or answer questions on anything provided in this document.

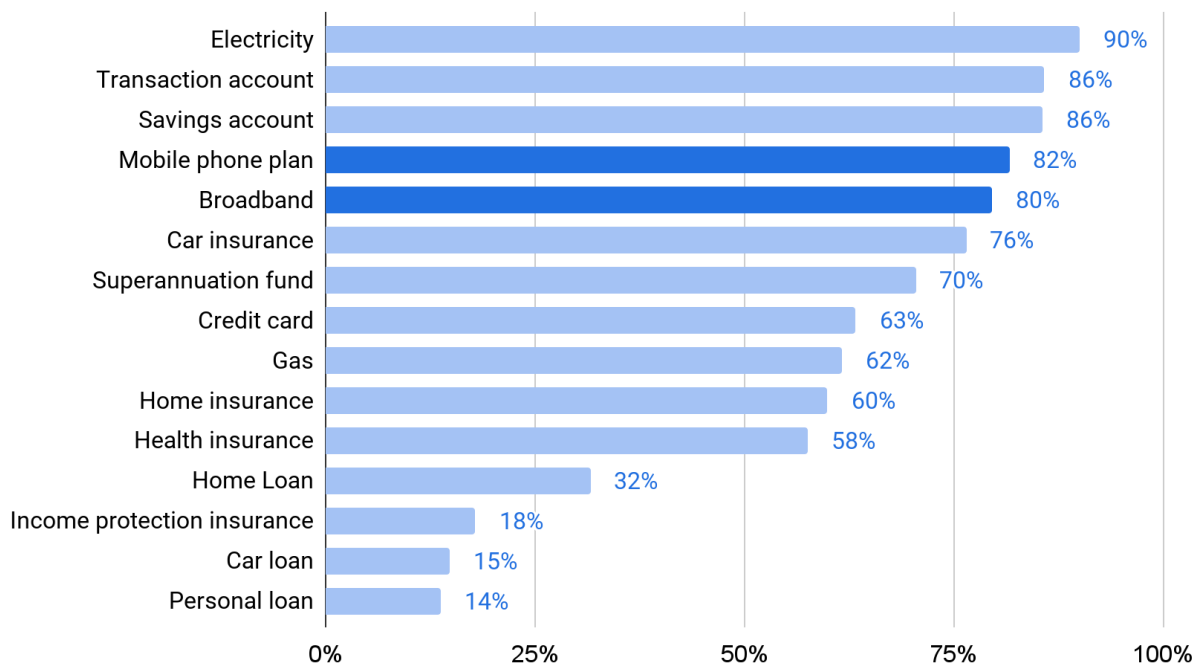
Section 1: Finder consumer research on telecommunications offerings in Australia

Finder is a research-led business that does consumer surveys on a regular basis. Our flagship survey is the [Finder Consumer Sentiment Tracker](#) which is a live, nationally representative study of the Australian public. Designed by Finder and conducted by Qualtrics, it aims to track consumer sentiment in Australia on an ongoing basis by running an online panel of at least 1,000 respondents every month. The survey so far covers a sample of over 28,000 Australians.

How many Australians use telecommunications services and what plans are they on?

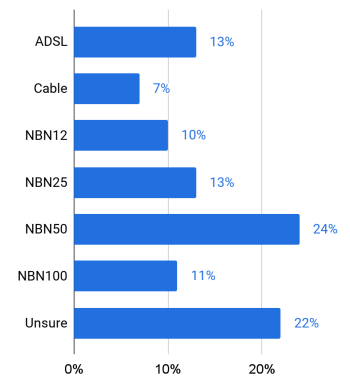
Our research shows that the vast majority of Australians use telecommunications services with 82% of Australians having a mobile phone plan and 80% of Australians having a broadband plan. This places them at the fourth and fifth on the list respectively of the services used most from those that we track. Only energy, transaction accounts and savings accounts sit above them on the list.

Proportion of Australians that use this product/service



When it comes to broadband, we find a relatively even distribution between the offerings available. The most popular type of broadband plan is NBN50 at 24% of broadband users followed by ADSL and NBN25 at 13% of users respectively.

Type of internet used by Australians



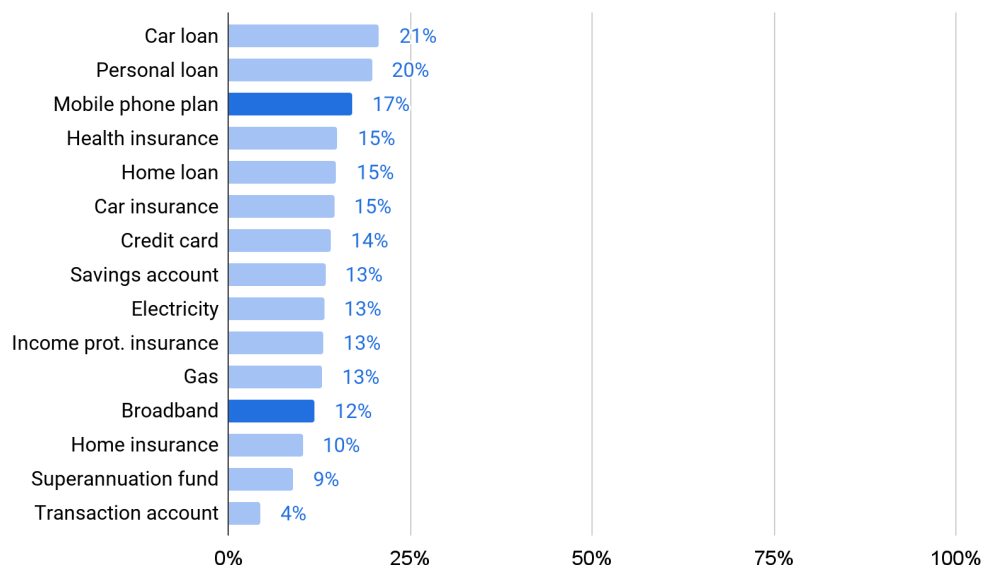
Of those that use mobile phone plans, we found in a one-off question from June 2021 that 19% have access to 5G speeds on their current plan. We also found that 30% of consumers do not have 5G but want it whilst the remaining 51% of consumers either don't want 5G or don't know what it is.

How often are Australians switching telecommunication providers and why?

Mobile phone plans are switched relatively frequently compared to other products, with 17% of consumers having switched them in the 6 months prior to being surveyed. In contrast, broadband is near the bottom of the products we include in our survey with 12% of consumers having switched in the last 6 months. That being said, broadband is still not close to the sectors with significant inertia present like superannuation (9% switching in last 6 months) and transaction accounts (4% switching in last 6 months).

When it comes to why consumers switch broadband providers, price is the most frequently cited motivation. When asked what would make them switch providers, finding a cheaper deal was the most regularly cited reason with 55% of consumers listing in their top three reasons why they would switch. The next most popular option was to find faster speeds at 44% with all other reasons lagging behind.

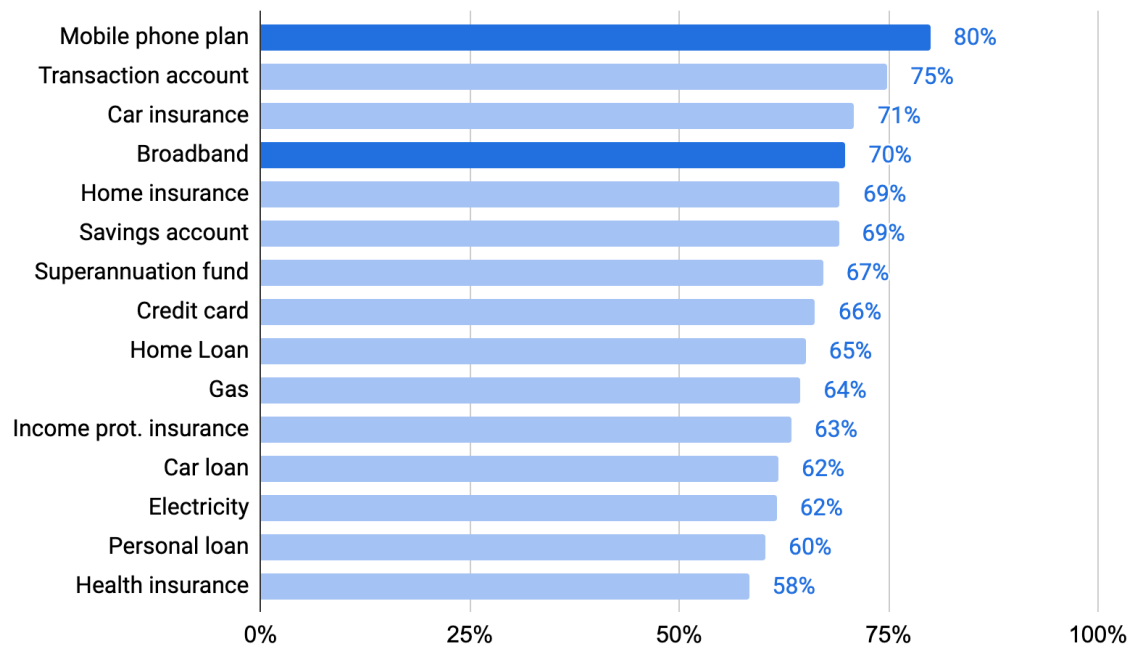
Proportion of Australian users that have switched providers in the last six months



Are Australians happy with their broadband and mobile providers?

We also ask consumers if they think they are getting good value for money when it comes to the various products and services that they use. Here mobile phone plans come out on top of all the products we track with 80% of Australian mobile phone plan users believing they are getting good value for money. Broadband comes in at fourth on the list with 70% of broadband users believing they are getting good values for money.

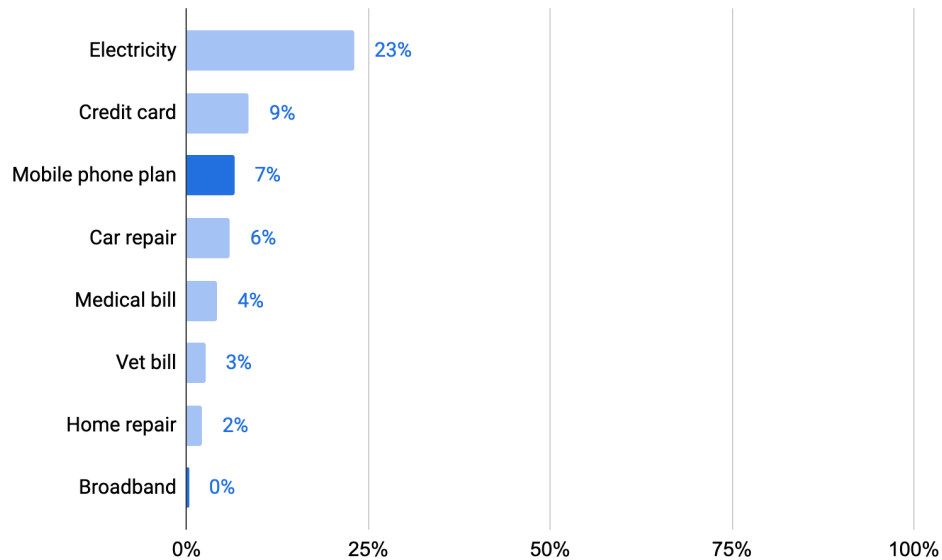
Proportion of Australian users that think they are getting good value for money for each product/service



When it comes to broadband, we see that 25% of Australian broadband users are extremely satisfied with their broadband speed and a further 45% of users are somewhat satisfied. Just 5% of our respondents were extremely dissatisfied with their broadband speeds. However, we do find a number of users reporting that they are struggling with internet issues when asked about specific tasks. This is particularly prevalent with streaming video content where 37% of respondents report that they experience buffering issues on at least a weekly basis.

Perhaps the strongest case that can be made for introducing the CDR to telecommunications is the relatively high incidence of unexpectedly high bills in this sector. This is particularly relevant for mobile phone plans with 7% of Australian mobile phone users having experienced an unexpectedly high bill in the last 12 months. However, this number is relatively low compared to energy bills where 23% of energy users had experienced an unexpectedly high bill.

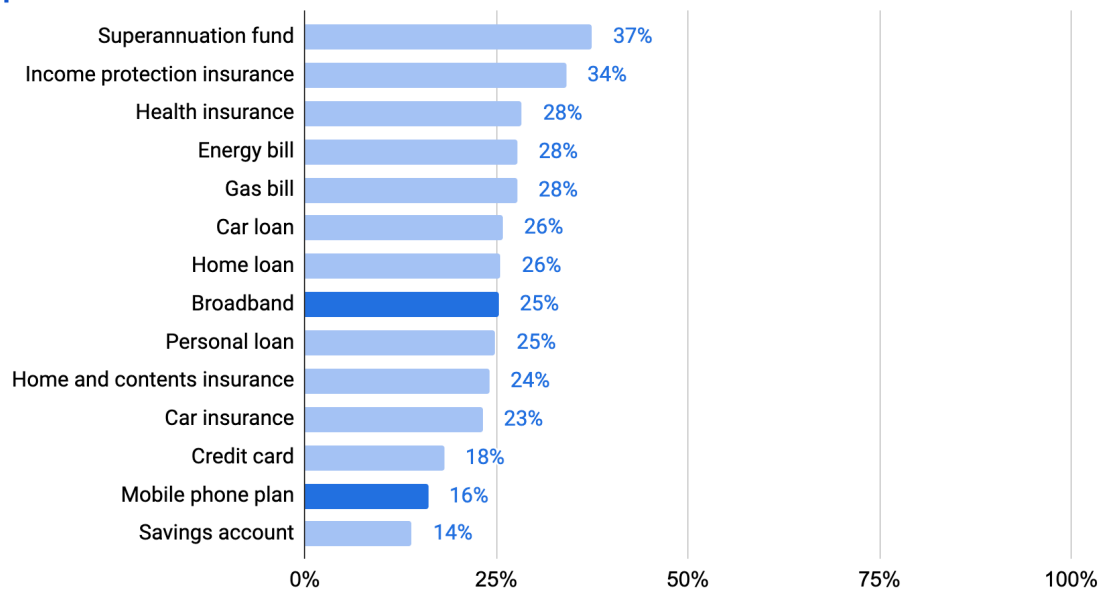
Proportion of Australian users that have experienced an unexpectedly high bill in the last 12 months



Do Australians understand telecommunications offerings?

We also ask consumers how well they understand their various products and services. Broadly, telecommunications services are relatively well understood. For mobile phone plans, 43% of users said they understood the service perfectly with 41% saying they understood it quite well. That leaves just 16% that have little or no understanding. Broadband is less well understood with 33% of users understanding it perfectly and 41% understanding it quite well. This means that 25% of users have little or no understanding.

Proportion of Australian users that have little to no understanding of how the product/service works



Section 2: Views on the relative priority of bringing CDR to the telecommunications sector compared to other sectors

Before responding directly to the questions raised in the consultation paper, we would like to make a general statement about the relative priority of bringing the CDR to telecommunications compared to other sectors. We note from a recent Treasury presentation that the primary objective of introducing the CDR to any given sector is to unlock consumer benefits from access to data. Secondary (and complementary) objectives include increasing competition, improving data security and enabling innovation.

Based on these objectives, our view is that there is a stronger case for bringing CDR to other sectors such as insurance and superannuation before telecommunications.

From a **consumer benefit perspective**, the value from CDR to the telecommunications sector is limited when compared to other sectors. Our research shows that the vast majority of Australians feel like they are getting good value for money with both their internet and mobile phone services. At the same time, our product data shows that the potential savings on offer for consumers that do actively shop around for the best deals in this sector are relatively small. Our research does show that consumers can be hit by unexpectedly high bills for the mobile phone plans in particular and the CDR could help resolve this issue but this benefit is still relatively small.

From a **competition perspective**, it's clear a small number of the major telecommunications companies in Australia do control a large proportion of the market. However, our research shows that consumers are more likely to switch mobile phone plan providers than for almost all of the other products we cover. This is not like the banking sector where many customers are still with the bank they opened an account with as a child. We also note that the barriers to entry in the telecommunications sector is lower than other sectors such as banking, superannuation and insurance. Finder has seen first hand challenger brands launch in Australia in this sector and quickly acquire customers with a competitive offering.

From an **innovation and data security perspective**, improved access to data through secure CDR channels in this sector will help with both. However, with limited consumer value on offer in this space on relatively low ticket items, we would expect to see less interest from data recipients in the data made available from the telecommunications sector than we would for other sectors like insurance and superannuation.

In summary, Finder sees more consumer value being unlocked by introducing the CDR to other sectors before telecommunications. We will provide more detail on this in our submission to the Strategic Assessment that is also currently being undertaken.

Section 3: Response to questions from Sectoral Assessment Consultation Paper

In this section we respond to the questions from the consultation paper where we think we can add value. Importantly, although we see more immediate consumer value in other sectors, if and when the CDR is introduced to the market for telecommunications products then Finder would be an active participant.

Question 1 & 4:

- What is 'telecommunications data' and 'the telecommunications sector' for the purposes of the CDR?
- If telecommunications is designated, which services, products and consumer datasets should be included? What benefits would arise to consumers and how could this encourage competition and data-driven innovation? Please provide examples of potential use cases. Useful datasets to share would include.

From a broad perspective, we think the CDR should extend as deeply into consumer usage data in the telecommunications sector as is practicable in order to maximise potential consumer benefit. For instance, a monthly summary of NBN broadband data usage, while useful, is potentially less useful than a summary by day or day part, which can highlight the impact that "peak evening speed" actually has on consumer internet usage.

More specifically, for both sectors we would welcome improved **product data relating to service offering by geographic area**. This will help consumers to assess which plans and providers will best service their needs based on their specific location. In an age where we are ever reliant on high speed internet connection these data points can also factor into larger financial decisions such as purchasing a house as many people would prefer a location with better NBN options available.

For broadband we think this could include the following data points for a given address:

- All the broadband service providers available
- The type of NBN service available at a particular address
- Peak evening speeds for each plan from each provider (when known)
- Maximum available speed at the address (if known)
- Whether a particular address is eligible for fibre upgrades
- Number of faults in the last 12 months

For mobile phone services we think include the following data points for a given address:

- All the mobile phone providers available and which network they use
- Quality of reception and average download speed for all major network providers

We would also advocate for **general product data** for all telecommunications to be included in the designation for telecommunications. This will allow consumers to compare what is included in certain plans after they have checked what is available based on the geographical location. We think these data sets would be similar for both broadband and mobile plans and should include:

- Full pricing details of all plans, including connection costs, hardware costs, any bundling discounts and any contract discounts.
- Standardised information for comparison (included domestic calls, included domestic texts, included international allowances, included data, data excess charges)
- Information relating to customer service including average wait times and location of support staff.

Finally, on consumer data, we think the priority should be on **usage information** for the consumer's current plans for both mobile and broadband. This will help consumers to more quickly find plans that suit their needs. Also, and if this usage data was made available on a regular basis (hourly or daily), then usage data could also help to solve the problem identified in our research for mobile phone users getting unexpectedly high bills with data recipients able to provide warnings when limits have been reached. We think usage data for both mobile and broadband plans should include:

- Near-live usage updates (e.g. data used, texts sent, minutes on calls)
- Monthly averages for comparison purposes (e.g. average monthly data usage, call duration, texts sent)

Question 7:

- [How is applying the CDR to telecommunications likely to encourage competition in the sector?](#)

Making the product data and usage information discussed above available through the CDR will allow consumers to compare plans more easily. We believe this will increase competition in the sector and ensure more consumers are using plans that are suited to their needs. In particular, we believe that this will help smaller retailers acquire more customers and grow their businesses.

Question 11:

- [What privacy issues should be taken into account when considering the designation of the telecommunications sector to the CDR regime? For example, are there particular classes of data that present privacy or confidentiality risks that cannot be mitigated, such that they should not be designated as CDR data?](#)

There are a number of privacy issues when considering the designation of datasets in the telecommunications sector. Datasets of particular concern include location data from mobile phone usage as well as specific information included in communications sent from a given device. On the latter, any information on usage of telecommunications services shared through the CDR should be in summary form (e.g. the number of text messages sent), and not include specific details about what is being communicated (e.g. the contents of individual text messages).

Questions?

Contact the Finder public affairs team at publicaffairs@finder.com