



Big Business profit on charges for paper bills

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Advocates for the consumer's right to choose, Keep Me Posted, have challenged banks, utilities and telcos to tell the truth about paper bill charges, claiming big businesses are profiteering.

Companies are charging customers anywhere from \$1.69 to \$3.20 to receive paper statements, claiming the fee is reflective of the actual transaction costs incurred. Analysis of the market of major mail users found that cost per unit equates to \$0.88 for a standard bill or \$1.02 for a personalised marketing style invoice, far from the costs currently being demanded from customers.

"These findings suggest that businesses are profiteering from customers who wish to receive their statements on paper and further demonstrates the irresponsibility of these companies," noted Kellie Northwood, Executive Director, Keep Me Posted Australia.

The launch of the campaign in April 2016 at Parliament House in Canberra received the support of many MPs including Independent Senator, Nick Xenophon. "The fact that there are millions of Australians who live in households without internet access is a big issue," said Senator Xenophon. "Why should these people, particularly senior citizens, be impacted in this way? It really does seem to be quite discriminatory and counterproductive."

Since the launch, Keep Me Posted contacted major players in the telecommunications, energy and banking industries encouraging them to re-consider charging Australians for paper bills and statements. Companies responded justifying the cost associated with paper statements to 'the dramatic increase in print and postage costs.'

"The claims that print and postage costs have dramatically increased is fallacious, print costs have declined year on year since 2009 and postage cost increases are not in line with consumer stamp prices. Simply put big business have access to discounted postage rates and are not paying \$1.00 a stamp," commented Northwood.

Many Australian consumers are not duped by the actions of these companies. Findings from a recent global survey including Australians found that 76% of Australians are unhappy if asked to pay for paper communications and 69% want the option to continue receiving printed information as it provides a permanent record for important documents. With 43% stating that they don't have a reliable internet connection and require paper records to stay informed, it is evident that this pay-to-pay practice is disadvantaging a large portion of the Australian population. Consumer's (44%) would even consider changing service providers if asked or forced to move to paperless communication (Two Sides, 2016).

Not only is there a risk of customer dissatisfaction, research has found that company's push to move to online statements to cut costs may actually be costing them more than they realise. Keep Me Posted claims, many companies are neglecting end to end costs associated with digital communications, citing a study by the Danish company Natur-Energi estimated that it costs on average \$3.51 per customer to get paid by paper invoice compared to \$6.21 per customer billed by e-mail. "Often these decisions made by companies

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are procurement cuts and not considered holistically, across community, customer service or back-end costs to process,” furthered Northwood.

Keep Me Posted cautions consumers against accepting the ‘pay-to-pay’ practice for paper statements. Businesses restricting access to paper bills and statements, imposing unjustified fees and denying customers an informed choice could only be the beginning. Failing to challenge these actions risks setting a precedent for additional charges to all statements in the future, taking even more money away from vulnerable Australians and putting it right into the pockets of big business.

“If we accept the precedent of customers paying for invoices and statements, there is nothing to stop companies charging us for digital statements in the future,” said Northwood.

e-Communications is not without risk and has exposed customers to digital fraud. Over the last two months in Australia, phishing scams have been revealed which targeted Telstra, AGL and NAB customers, among others, with fake emails related to bills or statements. The ‘perceived legitimacy’ of these emails saw many customers fooled and they provided personal information exposing themselves now to future fraud.

Keep Me Posted is calling on politicians to be the voice for Australians, particularly the most vulnerable, who cannot access or use the internet and are not given a penalty free choice.

“We have tried to work with companies directly and have been largely ignored, we now call on politicians to listen to Australian’s concerns and be the voice for Australia’s most vulnerable,” concluded Northwood.

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About Keep Me Posted

The Keep Me Posted (KMP) campaign represents advocate groups, charities, consumer groups, employer and employee representatives, industry and political representatives who believe in the right to choose the way companies communicate with them. KMP believe every consumer should be able to choose, without penalty, how they prefer to be communicated to via banks, utility companies and other services providers. www.keepmeposted.org.au

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