

COMPETITION AND CONSUMER ACT 2010

Undertaking to the Australian Competition and Consumer Commission
given for the purposes of section 87B

by

Primus Telecommunications Pty Limited ACN 071 191 396

Person giving the undertaking

1. This undertaking is given to the Australian Competition and Consumer Commission (ACCC) by Primus Telecommunications Pty Limited ACN 071 191 396 (iPrimus) of Level 10, 452 Flinders Street, Melbourne 3000 in the State of Victoria for the purposes of section 87B of the *Competition and Consumer Act 2010 (Act)*.
2. iPrimus, among other services offered to consumers, is a supplier of retail fixed-line broadband plans supplied over the National Broadband Network (NBN).

Background

iPrimus' internet services

3. Since 1 October 2015, iPrimus has promoted and offered to consumers NBN broadband services, using fibre to the node (FTTN) and fibre to the building (FTTB) technology. Consumers can select from a range of NBN broadband plans offered by iPrimus with different maximum internet speeds. The maximum speeds offered by iPrimus reflected some of the wholesale access speed tiers that it purchases from NBN Co Limited (NBN Co).
4. Broadband services using FTTN and FTTB technologies can be subject to performance limitations to such an extent that consumers are unable to achieve the maximum speeds of the NBN Co wholesale access speed tiers.
5. NBN Co provides performance information to iPrimus in relation to services supplied over FTTN and FTTB technologies after those services have been connected. iPrimus did not independently test the performance of its consumers' individual connections.
6. iPrimus promoted and offered NBN FTTN and FTTB broadband plans on the basis of providing internet speeds up to the following download and upload speeds, based on the wholesale access speed tiers offered by NBN Co:
 - a. 100 megabits per second (Mbps) download and 40 Mbps upload (100/40 Plan);
 - b. 50 Mbps download and 20 Mbps upload (50/20 Plan);
 - c. 25 Mbps download and 5 Mbps upload (25/5 Plan); and
 - d. 12 Mbps download and 1 Mbps upload (12/1 Plan),
(collectively, the **Speed Plans**).
7. iPrimus marketed:
 - a. the 12/1 Plan as the "Basic" plan, which cost consumers between \$39.90 and \$70.00 per month, depending on the data allowance of the plan;
 - b. the 25/5 Plan as the "High Performance" plan, which cost consumers between \$49.90 and \$80.00 per month, depending on the data allowance of the plan;
 - c. the 50/20 Plan as the "Supercharged" plan, which cost consumers between \$70.00 and \$80.00 per month depending on the data allowance of the plan; and
 - d. the 100/40 Plan as the "Ultimate" plan, which cost consumers between \$74.90 and \$109.90 per month, depending on the data allowance of the plan.
8. iPrimus offered the Speed Plans as a stand-alone data service, and also with the opportunity to bundle the Speed Plan with additional products and/or services (at an additional cost).

Maximum Attainable Speeds

9. The highest internet speed that could be delivered to each consumer given the technical capabilities of their NBN connection is defined for the purposes of this undertaking as the **Maximum Attainable Speed**. Maximum Attainable Speeds are measured by NBN Co and are generally made available to iPrimus within two weeks of activation of a Speed Plan. Consumers' Maximum Attainable Speeds cannot be measured prior to a consumer connecting to the NBN.
10. Maximum Attainable Speeds are affected by many factors including the length and quality of copper wiring from the consumer's premises to the node (for FTTN) or basement (for FTTB), electrical interference, and the quality and layout of cabling and copper wiring in the consumer's premises.
11. The speeds the consumer receives may be limited by the Speed Plan they have chosen. For example, a consumer who is on a 100/40 Plan and whose Maximum Attainable Speed is 65 Mbps will only receive internet speeds up to 65 Mbps download. If that same consumer is on a 25/5 Plan, they will receive internet speeds up to 25 Mbps download because their Speed Plan caps their speed even though their NBN connection can support higher speeds.

Conduct of concern

12. Between 1 October 2015 and 30 June 2017, iPrimus promoted the Speed Plans (excluding the 50/20 Plan) online, on television, in print and on radio. iPrimus' promotion of its Speed Plans on the iPrimus website included statements such as "**Download speed: Up to 100Mbps Upload speed: Up to 40Mbps. 100/40 MBPS is as fast as you can get and will surely feed your need for speed.**" which represented to consumers that their NBN connections could deliver speeds up to the maximum speed of their Speed Plan.
13. Between 1 October 2015 and 30 June 2017, iPrimus sold 26,890 Speed Plans to consumers using the NBN's FTTN or FTTB technology.
14. 1,912 of those 26,890 consumers (7%) could not obtain internet speeds up to the maximum speed of their Speed Plan because the consumer's NBN connection was not capable of delivering it. For the purposes of this undertaking, residential consumers who, within the first two weeks of data being available to iPrimus for each consumer, had a Maximum Attainable Speed lower than the maximum speed of their Speed Plan are defined as **Affected Consumers**.
15. Table 1 below shows:
 - a. the number of iPrimus consumers on each Speed Plan who were connected using NBN FTTN technology between 1 October 2015 and 30 June 2017;
 - b. the total number and percentage (%) of Affected Consumers on each Speed Plan; and
 - c. of the total in 15(b), the number and percentage (%) of Affected Consumers on each Speed Plan whose NBN connection had a Maximum Attainable Speed less than the maximum speed of lower Speed Plans.

Table 1: Maximum Attainable Speeds of iPrimus FTTN consumers between 1 October 2015 and 30 June 2017

Speed Plan	Number of consumers on Speed Plan	Number and percentage (%) of consumers on each Speed Plan with Maximum Attainable Speeds less than:			
		100 Mbps download and 40 Mbps upload	50 Mbps download and 20 Mbps upload	25 Mbps download and 5 Mbps upload	12 Mbps download and 1 Mbps upload
100/40 Plan	1,288	904 of 1,288 (70%)	396 of 904 (44%)	79 of 904 (9%)	8 of 904 (1%)
50/20 Plan	0		0 of 0 (0%)	0 of 0 (0%)	0 of 0 (0%)
25/5 Plan	14,455			901 of 14,455 (6%)	115 of 901 (13%)
12/1 Plan	10,324				92 of 10,324 (1%)

16. Table 2 below shows:

- a. the number of iPrimus consumers on each Speed Plan that were connected using NBN FTTB technology between 1 October 2015 and 30 June 2017;
- b. the total number and percentage (%) of Affected Consumers on each Speed Plan; and
- c. of the total in 16(b) the number and percentage (%) of Affected Consumers on each Speed Plan whose NBN connection had a Maximum Attainable Speed less than the maximum speed of lower Speed Plans.

Table 2: Maximum Attainable Speeds of iPrimus FTTB consumers between 1 October 2015 and 30 June 2017

Speed Plan	Number of consumers on Speed Plan	Number and percentage of consumers on each Speed Plan who have Maximum Attainable Speeds less than:			
		100 Mbps download and 40 Mbps upload	50 Mbps download and 20 Mbps upload	25 Mbps download and 5 Mbps upload	12 Mbps download and 1 Mbps upload
100/40 Plan	53	14 of 53 (26%)	0 of 14 (0%)	0 of 14 (0%)	0 of 14 (0%)
50/20 Plan	1		0 of 1 (0%)	0 of 0 (0%)	0 of 0 (0%)
25/5 Plan	423			1 of 423 (<1%)	1 of 1 (100%)
12/1 Plan	346				0 of 346 (<1%)

Australian Consumer Law

17. The Australian Consumer Law (ACL) is contained in Schedule 2 to the Act.
18. Section 18 of the ACL provides that a person must not, in trade or commerce, engage in conduct that is misleading or deceptive, or is likely to mislead or deceive.
19. Section 29(1)(b) of the ACL provides that a person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services make a false or misleading representation that services are of a particular standard, quality, value or grade.
20. Section 29(1)(g) of the ACL provides that a person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of

the supply or use of goods or services make a false or misleading representation that goods or services have sponsorship, approval, performance characteristics, accessories, uses or benefits.

Admissions

21. By the conduct described above, from 1 October 2015 to 30 June 2017, in the promotion of the Speed Plans, iPrimus represented to consumers that iPrimus was capable of delivering internet services up to the maximum speeds of each Speed Plan when this was not the case.
22. iPrimus admits that the conduct described above is likely to have contravened sections 18, 29(1)(b) and 29(1)(g) of the ACL.

Commencement of this undertaking

23. This undertaking comes into effect when:
 - a. this undertaking is executed by iPrimus; and
 - b. this undertaking so executed is accepted by the ACCC (the commencement date).
24. Upon the commencement date, iPrimus undertakes to assume the obligations set out in Attachment A for the purposes of section 87B of the Act.
25. This undertaking ceases to have effect after a period of three years from the commencement date.

Acknowledgments

26. iPrimus acknowledges that:
 - a. the ACCC will make this undertaking publicly available including by publishing it on the ACCC's public register of section 87B undertakings on its website;
 - b. the ACCC may, from time to time, make public reference to this undertaking, including in news media statements and in ACCC publications;
 - c. the ACCC may make public reference to the information contained in the report provided by iPrimus as set out in Attachment A of this undertaking in the section titled 'Undertaking as to reporting', including in news media statements and in ACCC publications; and
 - d. this undertaking in no way derogates from the rights and remedies available to any other person arising from the alleged conduct.

Executed as an undertaking

Executed by Primus Telecommunications Pty Limited ACN 071 191 396 pursuant to section 127(1) of the Corporations Act 2001 by:

	
Signature of director	Signature of a director /company secretary
	
Name of director (print)	Name of director /company secretary (print)
	
Date	Date

Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth) on:



Date

and signed on behalf of the Commission:



Acting Chair



Date

Attachment A – undertakings for the purposes of section 87B of the Act

Undertaking as to remediation for current Affected Consumers

1. iPrimus undertakes that, for each Affected Consumer who entered into a Speed Plan between 1 October 2015 and the commencement date, and to whom, as at the date iPrimus sends the email or letter set out in paragraphs (a)(i) and (b)(i) below, iPrimus continued to provide a Speed Plan:
 - a. for each Affected Consumer who entered into a 25/5 Plan, 50/20 Plan or 100/40 Plan, iPrimus will:
 - i. by no later than 27 April 2018, send an email or, where iPrimus does not have a consumer's email address, a letter to the consumer in a form approved by the ACCC, which sets out remediation options for the consumer; and
 - ii. in accordance with the remediation option selected by the consumer:
 - A. allow the consumer to remain on their current Speed Plan with no refund;
 - B. move the consumer to a lower Speed Plan of their choice and provide a refund as set out in Attachment B; or
 - C. allow the consumer to exit the contract (and any associated bundle) without incurring any associated exit costs under their contract and receive a refund as set out in Attachment B; and
 - b. for each Affected Consumer who entered into a 12/1 Plan, iPrimus will:
 - i. by no later than 27 April 2018, send an email or, where iPrimus does not have a consumer's email address, a letter to the consumer in a form approved by the ACCC, which sets out remediation options for the consumer; and
 - ii. in accordance with the remediation option selected by the consumer, allow the consumer to:
 - A. remain on their current Speed Plan with no refund; or
 - B. exit the contract (and any associated bundle) without incurring any associated exit costs under their contract with no refund.

Undertaking as to remediation for former Affected Consumers

2. iPrimus undertakes that, for each Affected Consumer who entered into a Speed Plan on or after 1 October 2015 but to whom, as at the date iPrimus sends the email or letter set out in paragraph (a)(i) and (b)(i) below, iPrimus no longer provided a Speed Plan:
 - a. for each Affected Consumer who entered into a 25/5 Plan, 50/20 Plan or 100/40 Plan, iPrimus will:
 - i. by no later than 27 April 2018, send an email or, where iPrimus does not have a consumer's email address, a letter to the consumer in a form approved by the ACCC;
 - ii. where the consumer elects, refund any termination fee the consumer paid when exiting their contract; and
 - iii. where the consumer elects, provide a refund as outlined in Attachment B; and
 - b. for each Affected Consumer who entered into a 12/1 Plan, iPrimus will:
 - i. by no later than 27 April 2018, send an email or, where iPrimus does not have a consumer's email address, a letter to the consumer in a form approved by the ACCC; and
 - ii. where the consumer elects, refund any termination fee the consumer paid when exiting their contract.

Undertaking as to future consumers

3. iPrimus undertakes that for a period of three years from the commencement date it will not, in trade or commerce, represent that it can or will provide consumers with FTTN or FTTB connections with download and upload speeds at the maximum speeds specified in the consumer's Speed Plan unless it also carries out the steps in paragraph 4 below.
4. Subject to paragraph 3, iPrimus undertakes for the purposes of section 87B of the Act that for a period of three years from the commencement date it will, within the first four weeks of data being available to iPrimus for each consumer's Maximum Attainable Speed, check each iPrimus consumer's Maximum Attainable Speed. If the Maximum Attainable Speed is below the advertised maximum speed of the consumer's Speed Plan, within the first four weeks of data being available to iPrimus for each consumer's Maximum Attainable Speed, iPrimus will:
 - a. for each Affected Consumer who entered into a 25/5 Plan, 50/20 Plan or 100/40 Plan, iPrimus will:
 - i. notify the consumer of their Maximum Attainable Speed; and
 - ii. provide the consumer with the options to:
 - A. remain on their current Speed Plan with no refund;
 - B. exit the contract (and any associated bundle) without cost and provide a refund to the consumer as set out in Attachment B; and
 - C. move to a lower Speed Plan of their choice and provide a refund to the consumer as set out in Attachment B; and
 - b. for each Affected Consumer who entered into a 12/1 Plan:
 - i. notify the consumer of their Maximum Attainable Speed; and
 - ii. provide the consumer with the options to:
 - A. remain on their current Speed Plan with no refund; or
 - B. exit the contract (and any associated bundle) without incurring any associated exit costs under their contract with no refund.

Notification

5. iPrimus undertakes that it will, within 20 business days of the commencement date, publish or cause to be published on its website for a period of 90 consecutive days a notice in the form of Attachment C to this undertaking, which will be accessible to Affected Consumers via a link contained in a corrective notice in the top third of the:
 - a. iPrimus home page at: <https://www.iprimus.com.au>; and
 - b. iPrimus NBN Info web page at: <https://www.iprimus.com.au/index.html#!/nbninfo>.
6. The corrective notice displayed on the web pages indicated at paragraph 5, and accessible to Affected Consumers will:
 - a. include the words:

'Did you purchase an iPrimus NBN plan between 1 October 2015 and [commencement date]? You may be entitled to a partial refund or be able exit your contract without cost.

iPrimus is providing remedies to consumers who purchased NBN internet plans where their fibre to the node (FTTN) or fibre to the building (FTTB) connection was not capable of delivering the speeds promised. We acknowledge that, by doing so, we likely breached the Australian Consumer Law.

iPrimus will be contacting affected consumers by 27 April 2018 to offer options including a refund, moving to a lower speed plan or exiting their contract.

Click here [insert hyperlink to notice in the form of Attachment C] for more information, or contact us on [number].';
 - b. be bordered by a black box;

- c. not be displayed as a "pop-up" or "pop-under" window;
- d. be crawlable (i.e. its contents may be indexed by a search engine); and
- e. be prominent in size.

Undertaking as to amendments to correspondence and contacting Affected Consumers

- 7. iPrimus undertakes that it will only vary the content of the emails and letters to Affected Consumers set out in paragraphs 1(a)(i) and (b)(i), and 2(a)(i) and (b)(i), or the corrective notices at paragraphs 5 and 6 and at Attachment C, with the prior written consent of the ACCC.
- 8. If iPrimus does not receive a response from a current Affected Consumer to the communications set out in paragraph 1, iPrimus will call or SMS the current Affected Consumer in order to provide the information contained in those communications.

Undertaking as to reporting

- 9. Between 29 May 2018 and 1 June 2018, iPrimus will provide a report to the ACCC setting out:
 - a. the number of current Affected Consumers for each Speed Plan falling within paragraph 1 above and for each of these categories of Affected Consumers:
 - i. the number of Affected Consumers that iPrimus has sent an email or letter in accordance with paragraph 1 above;
 - ii. the number of Affected Consumers that chose each remedy option, which iPrimus has finalised, set out in paragraph 1 above;
 - iii. the number of Affected Consumers that chose each remedy option, which iPrimus has not finalised, set out in paragraph 1 above; and
 - iv. the total amount of refunds provided to date; and
 - b. the number of former Affected Consumers for each Speed Plan falling within paragraph 2 above and for each of these categories of Affected Consumers:
 - i. the number of Affected Consumers that iPrimus has sent an email or letter in accordance with paragraph 2 above;
 - ii. the number of Affected Consumers that elected to receive a refund, which iPrimus has finalised;
 - iii. the number of Affected Consumers that elected to receive a refund, which iPrimus has not finalised; and
 - iv. the total amount of refunds provided to date; and
 - c. of the current Affected Consumers who chose a remedy option, the percentage who received:
 - i. an email;
 - ii. a letter; and
 - d. of the former Affected Consumers who elected to receive a refund, the percentage who received:
 - i. an email;
 - ii. a letter.

Attachment B - compensation for Affected Consumers

1. Where a consumer elects to receive a refund, iPrimus undertakes to provide refunds in accordance with Table A below.
2. Where an Affected Consumer accepts an offer of a refund from iPrimus, the refund amount is to be determined by reference to the amount the consumer paid each month for their Speed Plan, and the amount the consumer would have paid each month for the fastest Speed Plan which would have allowed them to receive the maximum speed of their Speed Plan.

Bundles

3. The refund structure in Table A below applies to both Speed Plans and bundles.
4. A bundle is a package of products and/or services the consumer purchases from iPrimus that includes a Speed Plan (for example, a bundle of a Speed Plan and an iPrimus phone plan).
5. If a consumer had a bundle including a Speed Plan, the consumer will receive a refund of the difference in price between their bundle and the price of the bundle that would have allowed them to receive the maximum speed of their Speed Plan.

Form of refunds

6. If a consumer has no outstanding debt in relation to their NBN service as at the date iPrimus sends the remediation letter, iPrimus undertakes to offer the refund as either a direct payment or a credit, at the consumer's discretion.
7. If a consumer has an existing debt in relation to their NBN service as at the date iPrimus sends the remediation letter, then iPrimus will reduce the debt by the refund amount. If the refund amount is higher than the consumer's existing debt, then the consumer may elect between a direct payment and a credit for the balance of the refund amount.

Table A: Compensation for Affected Consumers:

Speed Plan that consumer paid for	Consumer's refund based on Maximum Attainable Speed (MAS)		
	MAS <100/40 and =>50/20	MAS <50/20 and =>25/5	MAS < 25/5
iPrimus 100/40 Plan	Refund difference between 100/40 Plan and 50/20 Plan	Refund difference between 100/40 Plan and 25/5 Plan	Refund difference between 100/40 Plan and 12/1 Plan
iPrimus 50/20 Plan		Refund difference between 50/20 Plan and 25/5 Plan	Refund difference between 50/20 Plan and 12/1 Plan
iPrimus 25/5 Plan			Refund difference between 25/5 Plan and 12/1 Plan
iPrimus 12/1 Plan	No refunds applicable to 12/1 Plan		

Attachment C – Corrective notice for iPrimus website

Maximum NBN Speeds – Refund Offer for iPrimus customers

Since 1 October 2015, iPrimus has promoted and offered NBN internet plans using the NBN's fibre to the node (FTTN) and fibre to the building (FTTB) technology to consumers with the choice to select from a range of internet speeds.

iPrimus promoted NBN internet plans to consumers by highlighting the maximum speeds available to consumers on each Speed Plan. The maximum speeds promoted by iPrimus reflected the maximum speeds of the wholesale internet services that it purchased from NBN Co Limited.

iPrimus offered the 12/1 Plan as "Basic", the 25/5 Plan as "High Performance", the 50/20 as "Supercharged", and the 100/40 Plan as "Ultimate". Consumers paid \$10 more per month for the "High Performance", \$20 more for the "Supercharged", and between \$30 to \$40 more per month for the "Ultimate" (depending on the data allowance).

iPrimus consumers' maximum speeds

Generally, within two weeks of activation of a consumer's NBN speed plan, NBN makes available to iPrimus the maximum speed measurement the consumer can achieve.

iPrimus has reviewed the information made available by NBN and discovered it could not provide many of its consumers with internet speeds up to the maximum speed of their speed plan because the consumer's NBN connection was not capable of delivering it.

iPrimus accepts that this conduct was likely to have contravened the Australian Consumer Law, because NBN speed plans were promoted as delivering certain speeds where consumers could not receive those speeds. In response to concerns raised by the ACCC, iPrimus has provided a court enforceable undertaking to the ACCC that it will not engage in similar conduct in the future.

Remedies available to affected iPrimus customers

Affected consumers may have the following options available to them:

- remain on their speed plan with no refund;
- move to a lower iPrimus speed plan and receive a refund for the extra charges paid; or
- exit their plan without cost and receive a refund for the extra charges paid.

Former iPrimus consumers may also be eligible to receive a refund.

If you are an affected consumer, iPrimus will contact you by email or post by 27 April 2018. If you would like further information, please contact us on [number].