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More than 11million Australians 'pay too much' for mobile phone bills

Research from amaysim, Australia's first low cost mobile service provider, reveals that two-thirds of mobile phone users believe they're paying too much for their service.

Industry figures forecast that close to a staggering \$20 billion(1) will be spent on mobile phone services this year – an alarming figure for the half of 'pay as you go' customers and the two thirds of users under contract who think they're paying too much on their mobile phone bill.

Australians blame high rates for calls and texts (28 per cent), unnecessary flagfall fees (26 per cent) and confusing tariffs (14 per cent) as contributing factors to their high bills. Contract customers are really feeling the pinch with the majority (84 per cent) claiming that phone providers lock them in and that it's too difficult to get out of a mobile phone contract (72 per cent).

More than three million phone users admit that they don't understand the terms and conditions of their mobile phone contract. In fact, almost half say it's difficult to know when they're up to their credit limit to avoid exceeding their cap. If caps are exceeded, more than half of phone users find the additional charges excessive, with a third admitting they have no idea how additional costs are even charged.

Founder and CEO of amaysim, Rolf Hansen, says: "Australians love their mobile phones but they're fed up with feeling locked in and receiving poor value for money. High rates and flagfalls are a major gripe for mobile users and complex credit and cap plans are leaving customers confused.

"Our research shows us that consumers want their phone service to be inexpensive and simple. Amaysim offers a fair deal, with no contracts or flagfalls and low cost standard call, SMS and data rates to any number Australia-wide. In fact, we believe that by switching to amaysim many customers could save up to 50 per cent on their mobile bill."

The prospect of saving money will come as welcome news for many as consumer confusion over rates and charges on mobile phones will mean a nasty financial surprise for the start of 2011. One in ten phone users who admitted to using their mobile phone more over the holidays estimate their bill will be as much as \$50 higher than their average bill. And while almost 80% of Australians have resolved to save money in 2011, only a third believe they can easily save money on their mobile phone service.

Money expert, Greg Smith, says: "Many people wrongly assume that the only way to save money is to make big cuts or concessions. In fact, you can make significant savings by simply examining your monthly outgoings and making sure you're getting the best deal from each of your service providers. The mobile phone market, for example, has some very competitive offers such as the rates from amaysim which could see your bills cut in half. Simply by swapping your SIM card you can save."

amaysim was recently named number one mobile phone deal on the market for low to mid-tier users by leading independent comparison website PhoneChoice.

For further information, to purchase a SIM card or recharge your account visit **amaysim**: www.amaysim.com.au.

Ends

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Notes to editors

About amaysim

amaysim is changing the way Australians think about mobiles, forever. Founded in November 2010 in Australia by a team of Australian and European entrepreneurs, amaysim is Australia's first low cost mobile service provider and is dedicated to delivering simplicity, fairness and low prices to mobile consumers with its customer-centric mobile services and low cost guarantee. Supported by a high quality Australian customer service centre and a state-of-the-art consumer website, amaysim is delivered over the Optus 3G Mobile network and is distributed via www.amaysim.com.au and an Australia-wide third party retail network, including 7-Eleven, Harvey Norman, Woolworths Petrol, Caltex, Newlink, and hundreds of independent mobile phone outlets.

amaysim offers customers one simple low call rate of 15c per minute, 12c per SMS and 5c per MB for data to any network, anytime, Australia wide. There are no minimum fees, no flagfall and no minimum term contract, which means users have complete control of what they spend. Offering both pre and post pay billing options, amaysim customers have the freedom to customise their recharges and payments. Users are kept informed and in control through a single online portal that displays itemised billing, real time usage and recharge history.

In December 2010, amaysim was named number one mobile phone deal on the market for low to mid-tier users by leading independent comparison website PhoneChoice.

Research

The research was conducted by Galaxy on behalf of amaysim in January 2011, involving a representative sample of over 1000 respondents from across Australia who use a mobile phone, aged 20-49 years.

(1) Mobile Communications Industry Overview, Paul Budde, 22.09.10

Table of key research findings

Key finding	Statistic
Percentage of mobile phone users that believe they're paying too much for their mobile phone service	61%
Percentage of 'pay as you go' customers who believe they're paying too much	56%
Percentage of contract customers who believe they're paying too much	64%
Percentage that believe the following contribute to a mobile phone bill being too high:	
High rates for calls & texts	28%
Flagfall rates for calls	26%
Confusing tariffs	14%
High rates for data downloads	28%
Not knowing when the cap is reached	14%
Percentage that	
Don't feel they get good value from their mobile phone	40%
Feel that service providers lock-in consumers	79%
It's difficult to get out of mobile contracts	69%
Don't understand terms and conditions	33%
Feel it's difficult to find out what call rates are	39%
Percentage that find it difficult to know when the credit limit has been exceeded	45%
Percentage that consider additional charges as unfair or excessive when credit limit is exceeded	57%
Percentage that don't know how additional costs are charged	32%
Areas of spending where savings could be easily made	
Mobile phones bills	32%
Banking fees and charges	26%
Utilities	39%
Insurance	23%