

### Long Distance Love

Bridie thought it was ultra cute that her boyfriend wanted a mobile so he could easily keep in touch with her.

However, he said he'd been refused phone deals all over town because of some old bill that got stuffed up a few years ago. As he promised to pay the bills, Bridie agreed to take out a mobile phone contract in her name for him to use. The contract lasted 24 months, which was 22 months longer than he hung around. When he split

Bridie couldn't get the phone back from him, but she was at least able to cancel the service stopping him from running up any more bills.

Unfortunately, under the contract Bridie was still responsible to pay the minimum monthly charge for the remainder of the two years. This cost

Bridie so much money, she couldn't afford to move out of home, much less get her own mobile phone.

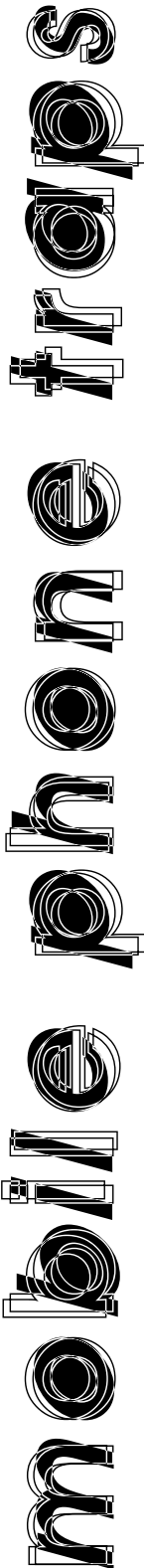
### Yacketyack

Emile jumped at the "No-dollar phone" offer and signed up immediately. Emile was totally stoked at being able to keep in touch with his mates and to be onto to any action as it happened.

However, Emile was really burned when the first bill rolled in. He had somehow racked up a phone bill of over \$300 bucks. Although he'd let a few mates use his phone in times of need, most of the calls were his. He'd never realised that he talked so often

or for so long on each call. Worse still - even though the phone got disconnected when he failed to pay the bill, the account just kept growing each month with the contract fees.

Emile eventually moved back home just so he could reduce his living costs and pay back the phone company.



## There's no such thing as a free phone

Going mobile can mean more independence and instant access to a phone in an emergency can be a lifeline. But mobiles can also end up costing big bucks and leave people saddled with huge debts. This article covers some of the points to think about before getting a mobile and may help you avoid getting caught in a mobile debt spiral.

### Top 10 tips for avoiding mobile phone traps

- [1] Before rushing out to get a mobile, work out what you want it for. You can't shop around for the best deal for you if you haven't sussed out what your usage will be.
- [2] So called "free" or "cheap" phone deals may not be all that cheap after you look into the cost of making calls (and other services). Prices for phones and call charges can vary dramatically, so shop around and do your sums carefully to be sure a deal is right for you.
- [3] If you think you will make heaps of calls, then you could consider a mobile contract that connects you to a service with a flat rate cost per month that includes a set amount of calls.
- [4] If you mostly want a phone for emergencies, then you could buy a second hand phone and connect to a carrier with no monthly fees. This way there is no contract and you just pay call costs.
- [5] If you want to avoid being locked into a contract and the risk of huge bills at the end of the month, then look into buying the phone for a flat fee and then paying for your calls upfront. Prices for these pre-phone services can really vary, so shop around.
- [6] If you decide to sign a contract for a phone, remember that it is a legally binding agreement which is likely to be very expensive if you want to it cancel before the full term has expired. Some mobile phone contracts last for 3 years, which is a big commitment, so don't rush in.
- [7] Only sign a mobile contract when you have read it and understood it. Don't just rely on the salesperson's explanation of the contract. As you will be held responsible under the contract for all the bills, you need to check out the contract for yourself. If you can't understand the contract - don't sign it - get independent advice. (See below for sources of advice)
- [8] Remember that mobile contracts that provide you with a phone will have a minimum monthly fee, that keeps being charged even if you have stopped using the phone or have been cut off for non-payment of bills.
- [9] To protect yourself from nasty surprises should your phone be borrowed or even stolen, consider getting your service provider to bar access to international, "info services" and other expensive phone services.
- [10] Be clear about the real cost of any services available to you. If you want extras such as text messaging, voice mail and email, work out exactly how you will be charged and decide whether it is worth it. Again the price of these extra services can vary, so shop around.

**Never, never, never agree to take out a mobile contract for another person. If they want a phone, they should take responsibility for it themselves rather than drag someone else into it. If a friend or family member is having no luck getting a phone deal, remind them that there are other options, like a prepaid phone service or buying a second hand phone and connecting normally to a service.**

#### Where to get help and advice...

For referral to a financial counsellor  
or consumer support worker:

- Financial and Consumer Rights Council (03) 9614 5433
- Credit Helpline (03) 9602 3800

For assistance with complaints:

- Consumer and Business Affairs (03) 9627 6000
- Telecommunications Industry Ombudsman (03) 8600 8700