



Telecommunications
Industry
Ombudsman

Terms of reference

Targeted review of Non-Financial Loss limits

August 2026

1 Purpose

The Telecommunications Industry Ombudsman (TIO) will undertake a targeted review of the non-privacy non-financial loss (NFL) compensation limit established under the Terms of Reference.

The purpose of the review is to determine whether the current NFL compensation framework remains fit for purpose, taking into account:

- the objectives of the TIO scheme
- contemporary community expectations
- the experience of consumers and members
- developments in the telecommunications environment
- comparable external dispute resolution schemes
- the effective and efficient operation of the TIO.

The review will provide an evidence-based assessment and recommendations for consideration by the Board.

2 Background

The review follows stakeholder representations regarding the adequacy of the current non-privacy NFL cap and subsequent Board consideration of whether these matters should be examined through a targeted review or deferred to the 2027 Independent Review. The Board determined that a targeted review should be undertaken to inform future decision-making regarding NFL compensation settings.

3 Review Objectives

The review will:

- Assess whether the current non-privacy NFL compensation limit remains appropriate.
- Examine how the existing framework influences complaint resolution outcomes and stakeholder behaviour.
- Consider whether current arrangements appropriately recognise consumer harm.
- Assess operational, financial and regulatory implications of any potential changes.
- Identify options for the future framework, including maintaining existing arrangements.
- Provide recommendations to the Board.

4 Scope

The review will consider:

In Scope

- The current non-privacy NFL compensation limit.
- How NFL compensation is applied across complaint handling processes.
- Trends and patterns in NFL-related complaints and outcomes.
- Consumer, member and stakeholder perspectives.
- Benchmarking against comparable ombudsman and dispute resolution schemes.
- Governance, assurance and decision-making arrangements supporting NFL outcomes.
- Potential impacts of alternative compensation settings.

Out of Scope

- Privacy-related NFL compensation limits.
- Other compensation limits under the Terms of Reference.
- Broader questions relating to the structure, governance or jurisdiction of the TIO scheme that are more appropriately considered through the 2027 Independent Review.
- Retrospective reconsideration of individual complaint outcomes.

5 Key Review Questions

The review will seek to answer:

- Does the current NFL framework achieve fair, reasonable and proportionate outcomes?
- Is the current \$1,500 non-privacy NFL limit aligned with consumer expectations and scheme objectives?
- What evidence exists that the current cap influences complaint outcomes or behaviour?
- What risks arise if the current arrangements remain unchanged?
- What risks and benefits would arise from alternative compensation settings?
- Are there alternative models that would better achieve the objectives of the scheme?
- What changes, if any, should be recommended to the Board?

6 Methodology

The review will include:

- analysis of internal complaint and compensation data
- detailed review of NFL outcomes and decision-making practices
- benchmarking against comparable schemes
- consideration of stakeholder feedback via a consultation paper
- targeted consultation with key stakeholders
- assessment of financial, operational and behavioural impacts
- desktop review of case law regarding NFL in relevant complaint categories
- development of options and recommendations.

7 Stakeholder Engagement

Stakeholders consulted may include:

- TIO members
- Australian Telecommunications Alliance
- consumer advocacy organisations (including ICAN and ACCAN)
- First Nations consumer representatives
- relevant government departments
- regulators (ACMA and ACCC)
- other stakeholders identified during the review.

8 Deliverables

The review will produce:

1 Consultation Paper

- background and issues statement
- consultation questions
- proposed analytical framework.

2 Review Report

- findings

- benchmarking analysis
- stakeholder feedback summary
- impact assessment
- options analysis
- recommendations.

3 Board Decision Paper

- recommended approach
- implementation considerations
- any proposed Terms of Reference amendments.

In 2027, the TIO will undertake its five yearly Independent Review. The Independent Review may examine these deliverables further.

9 Governance

The review will be sponsored by the Ombudsman and overseen by the Board.

Management will provide progress updates to the Board at key milestones and will return with final recommendations for Board consideration prior to any decision regarding changes to compensation settings.

10 Guiding Principles

The review will be conducted in accordance with the following principles:

- Independence
- Evidence-based decision making
- Fairness and accessibility
- Transparency
- Proportionality
- Stakeholder engagement
- Consideration of unintended consequences.