

# Telco-Finance-Scams.com

Have you been offered cheap phone calls and a free Plasma TV???



**NECA has been advised of a scam being targeted at small business.**

## The scam works this way:

A company offers you cheaper phone bills, and as a reward for signing their contracts, they give you free equipment – Phone system, plasma TV's, Computers, Printers, in fact any sort equipment you need or want, they will provide.

Depending on the size of your telephone bill, they will then negotiate a call credit of around your call spend, much the same as mobile phone plans.

They get you to sign 2 contracts, and each month a Finance Company deducts money from your account which covers the cost of your calls, up to the negotiated amount. Any call in excess of the call credit is then deducted by the telephone company.

Everything works out fine for a while, but part way into your 5 year contract the telephone company goes into liquidation and your telephones stop working. It is then you find out that you are stuck in a 5 year contract with a Finance company, and then you have to pay someone else to provide telephone service – so you are now paying double.

What you don't realise is, the company that signed you up, may have added extra equipment to your contract after you signed, and over inflated the price of the "Free" equipment. In many cases, the victim wasn't left with a copy of the contract they signed and the only one that exists is the tampered one that the Finance Company has.

If you fight it in Court, unless it is the Federal Court, you will lose or have to settle and pay them out. It will cost you tens of thousands of dollars to fight them, or you will have to pay an exorbitant price for the "Free" equipment to get out of the contract.

The ACCC is prosecuting many of these Companies and Directors, but there are many they are not.

Each day a Telco closes and another one opens in its place, to trap more victims. There are thousands of small businesses out there who are victims and their cases are clogging the Court system.

If you are experiencing or have experienced this situation you should contact the Australian Consumer Trading and Tenancy Tribunal for assistance and further information.

**A website has also been set up to assist victims of the scam:**

The website is: <http://www.telco-finance-scams.com>