

claim in the courts under the *Trade Practices Act 1974*. In simple terms, Mr Schorer claimed that Telecom had -

- sold him a particular type of customer equipment which was unable to meet his needs (which were known to Telecom)
- made claims for the equipment which the equipment was not able to deliver.

While Telecom defended the action, it did make a *payment into court* with a denial of liability. The effect of the *payment into court* was that Mr Schorer had to decide whether to accept that amount or fight on in the knowledge that even if he was successful in his claim against Telecom, in the event that his claim was assessed at less than the *payment into court* he would have had to bear not only his own costs, but also those incurred by Telecom from the time it made the *payment into court*. On the advice of his solicitors, Mr Schorer concluded that he could not afford to fund continuation of the case and he decided to accept the *payment into court*.

CONTINUING FAULTS

5.30 Understandably the *original COT Cases*, having reached an initial 'settlement' involving -

- compensation for past losses
- restoration of an adequate telephone service

expected that they might be able to resume their business activities afresh.

5.31 Unfortunately that did not prove to be the case. Soon after his initial 'settlement' Mr Smith reported continuing problems to AUSTEL. Even prior to her settlement, Mrs Garms reported continuing faults to AUSTEL. The decision by Mrs Garms and Mrs Gillan not to report faults to Telecom in order to hasten a financial settlement is noted above. Mr Schorer continued to report faults to AUSTEL throughout the period.

5.32 The fact that faults continued to impact upon the businesses in the period following the settlement shows a weakness in the procedures employed. That is, a standard of service should have been established and *signed off* by each party. It is a necessary procedure of which all parties are now fully conscious and is dealt with elsewhere in this report. Its omission as far as the initial 'settlement' of the *original COT Cases* were concerned meant that there was continued dissatisfaction with the service provided without any steps being taken to rectify