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IMPROVING CONSUMER ACCESS AND CHOICE

Consumer NZ welcomes the opportunity to submit on the Electricity Authority's Improving Consumer Access and Choice consultation. Consumer NZ is an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa New Zealand.

Consumer NZ supports the Authority's focus on these issues. The concerns identified in this consultation have been raised by consumer advocates for several years. We are pleased to see these matters finally receiving attention and support the Authority taking steps to address them.

While action is overdue, it is important that reforms are now progressed quickly so consumers can at last start to see the benefits of a more accessible and competitive retail market.

The Authority frequently presents switching as a key mechanism through which consumers can access lower prices and better deals. However, this assumes consumers can switch in the first place. Increasingly, the issue is not a lack of willingness to switch, but an inability to find a retailer prepared to accept them. Many lower-income households actively seek cheaper offers only to have applications ignored or declined.

The cruel irony is that those who stand to benefit most from competition are the least able to access it. The result is an increasingly two-tier market in which low-risk consumers are actively courted, while those under greater financial pressure have fewer options and are excluded from the most competitive offers in the market.

Similar concerns exist with metering. Consumer advocates have highlighted metering barriers for years, including the Energy Hardship Expert Panel's 2023 recommendation that the Authority address barriers to completing the nationwide smart meter rollout.

The costs of upgrading a meter or undertaking associated remedial work often fall on the customer or property owner. For rental properties, this creates a classic split-incentive problem: landlords face the costs, while tenants receive the benefits. As a result, too many households remain locked out of plans that could reduce their energy costs.

The Authority's focus on these issues is welcome. However, the barriers to switching and metering have been well understood for many years. Earlier intervention would have reduced consumer harm and improved access to competition long before these problems reached their current scale.

Our responses to the specific consultation questions are set out in the appendix below.

Yours sincerely,

Jon Duffy
Chief Executive

APPENDIX: ANSWERS TO SPECIFIC QUESTIONS

Consultation question	Consumer NZ response
Q1. Do you agree with the risks identified for consumers who may have constrained access to electricity supply or limited retail choice? Please explain why or why not.	Consumer NZ agrees that the identified risks are real and material. Electricity is an essential service, and a market premised on competition cannot work if an increasing number of consumers cannot readily switch retailer, or access plans suited to their circumstances. "Choice" must mean practical, usable choice, not merely the theoretical existence of alternatives. Where consumers are declined, ignored, or pushed into narrow ad-hoc pathways, the result is higher costs, weaker bargaining power and a two-tier market. The term "self-disconnection" is a misnomer. Households do not willingly choose to disconnect themselves from electricity supply. The phrase implies a level of choice, control, or consent that does not exist. It suggests that households are active and willing participants in the disconnection decision, when in reality they are simply unable to afford a top-up or payment and automatically lose supply as a consequence. The more accurate term is "automatic disconnection". This is the term commonly used by consumer advocates. This language reflects what is actually occurring: electricity supply is disconnected automatically when credit is exhausted, regardless of the household wanting to remain connected. Using the term "automatic disconnection" avoids implying consumer choice where none exists and more accurately captures the lived experience of households facing financial hardship.
Q2. What evidence is available on the number of consumers affected by these risks, the circumstances in	The Authority's own evidence of about 46,900 credit-related post-pay refusals in 2025 shows this is occurring at scale, even if that figure does not identify unique consumers.

which they arise, and the outcomes consumers experience?	Consumer NZ's experience through Powerswitch shows increasing numbers of consumers are actively looking for better deals, with almost 30,000 initiated switches this year to date, and average annual savings for switchers currently around $470. That reinforces the harm: households that would most benefit are those most likely to be excluded from switching to lower price deals and are being locked out of substantial savings. Powerswitch data shows that conversion rates — the proportion of initiated switches that become completed switches — have been declining over time. This suggests that retailers are becoming more selective about which customers they are willing to accept. Conversion rate data was previously provided and discussed with the Authority under our Powerswitch reporting. As previously discussed with the Authority, the variation in conversion rate between retailers is significant. Some of the lowest-cost retailers, which attract the strongest consumer interest on Powerswitch, have among the lowest conversion rates. This raises concerns that many consumers who actively seek out cheaper offers are unable to access them. As a result, the benefits of retail competition are not reaching all consumers equally, particularly those who stand to gain the most from switching to lower-cost plans or providers.
Q3. Are there particular groups of consumers, regions, housing situations or metering circumstances where these risks are more likely to occur?	The risks are more acute where credit barriers intersect with renting, low income, poor housing quality, medical need, or metering constraints. Renters are especially exposed because they generally do not control and cannot give approval for meter upgrades or remedial work, despite being responsible for paying the energy bills. Regional meter disparities also matter. Smart-meter penetration is lower in some networks. As a result, more households in those areas will be excluded from time-of-use and data-enabled comparison services. Areas with lower smart meter penetration broadly correlate with lower income areas.

Q4. Do you agree that access and choice constraints may affect retail market performance? Please explain why or why not.	Yes. Retail competition depends on consumers being able to freely compare and switch between offers. If lower-income, higher-risk or hard-to-serve consumers cannot switch, competitive pressure is weakened exactly where consumers most need it. Powerswitch data also shows consumers can respond quickly to offers that deliver meaningful savings, but that benefit only exists for consumers that retailers are willing and able to accept. The most significant constraint is not technical but regulatory. The 2019 Electricity Price Review (EPR) identified the lack of easy access to electricity consumption data as a major barrier to competition and, through Recommendation C3, directed the Electricity Authority to give retailers six months to agree on a simple process for consumers and their authorised agents to obtain consumption data. If agreement could not be reached, the Authority was expected to amend the Code. The Government supported this recommendation and wrote to the Authority making clear that it expected the work to be treated as a high priority. Yet, seven years later, consumers still do not enjoy the simple, universal access to consumption data envisaged by the EPR. The cost of this delay has been borne by consumers. Without easy access to accurate consumption data, households are less able to compare plans, identify savings opportunities and switch with confidence. Comparison services such as Powerswitch are forced to rely on estimates where actual consumption data should be available. The result is weaker competitive pressure on retailers, reduced consumer engagement, and millions of dollars of foregone consumer savings. This was not an unforeseen problem. The barrier was clearly identified, a solution was proposed, and the Authority was expected to act within months, not years. The failure to deliver timely access to consumption data represents one of the most significant missed opportunities to improve retail competition and consumer outcomes in the electricity market.

Q5. Do you agree that consumer credit history or retailer credit-risk assessments may be limiting some consumers' access to electricity services or retail plans? Please explain why or why not.	Yes. Credit assessment is clearly limiting access for some consumers. Consumer NZ accepts retailers have legitimate credit-risk concerns, but these must be managed proportionately in an essential-service market. A poor or thin credit file should not leave a household unable to access ordinary post-pay electricity at a fair price. The Authority should investigate whether current refusal practices are transparent, consistent, proportionate and compatible with the objective of meaningful consumer participation. We believe access to retail competition is influenced by retailers' credit policies. These policies vary across retailers and can change over time depending on factors such as bad debt levels, debtor days and overall risk appetite. Powerswitch conversion data suggests that some of the lowest-priced retailers may apply stricter credit criteria than other market participants. We have also heard concerns from retailers that some competitors are able to maintain lower prices because they do not accept the same mix of customers, particularly those perceived to be higher risk. By contrast, some larger retailers appear more willing to serve these consumers.
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	Consumer NZ does not have full visibility of retailer credit models. We recommend the Authority require retailers to report refusal thresholds, reason categories, alternative-offer practices, bonds, guarantor requirements, benefit redirection requests and non-response rates. Consumers should also receive clear reasons when declined and be told what pathway, if any, is available to them.
Q7. Are there any existing practices, safeguards or support arrangements that	Some ad-hoc onboarding, social retailing and advocacy-based pathways help individual consumers, but they are not an adequate or consistent market-wide safeguard. They often depend on the consumer finding the right advocate or agency, and on discretionary retailer processes.

are working well to help consumers with adverse or limited credit history access electricity supply?	
Q8. Are you aware of any unintended behaviours or consequences that may arise when consumers cannot access electricity supply in their own name?	To gain access, some consumers can end up relying on family members, flatmates or former occupants to hold the account, creating debt, relationship and financial-abuse risks. It also weakens consumer agency - the person using the electricity may be unable to resolve billing, hardship, disconnection or switching issues because they are not the named account holder.
Q9. Do you agree that legacy and noncommunicating smart meters may be limiting some consumers' access to electricity services, retail plans or retail competition?	Yes. Not having a communicating smart meter will limit a household's access to lower-cost or more suitable products, especially time-of-use, free-hour/off-peak plans.
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	The main barriers appear to be tenancy and landlord consent, cost allocation, old wiring /poor meter-board condition, site access, telecommunications coverage and consumer trust. These barriers are hardest for renters and low-income households, because they neither control the property nor able to approve and fund remedial work. The Energy Hardship Expert Panel's 2023 recommendation to identify and address rollout barriers remains relevant.

Q11. What typically happens when a consumer needs a communicating smart meter to access a particular retail product or service, but an upgrade is delayed, declined, not technically straightforward, or cannot be arranged because the consumer does not have a retailer willing to serve them?	The consumer can be caught in a circular barrier: they need a retailer or plan to get a meter upgrade, but need a communicating meter to access the relevant retailer or plan. In practice, this can mean remaining on a worse plan, relying on ad-hoc help, or being unable to access social retailing. The Authority should require clear escalation pathways and a default responsibility-holder so consumers are not left to coordinate retailers, MEPs, landlords and networks themselves.
Q12. How are the costs of meter upgrades, remedial work or communication issues currently managed, and are there circumstances where these costs may prevent consumers from accessing electricity services or retail choice?	The process and cost for meter upgrades and replacements are not transparent or consistent. Where upfront costs fall on consumers or landlords, they can deter upgrades even when the consumer would benefit through future lower bills or greater choice. This is a classic split-incentive problem in rentals: the landlord faces the cost, while the tenant receives the benefit. Consumer NZ supports investigation of a hardship-focused funding or cost-allocation mechanism so upgrade costs do not block access.
Q13. Are existing arrangements sufficient to address the remaining	No. Existing arrangements can be adequate for routine upgrades but not for hard cases involving tenancy, wiring, asbestos, old switchboards, costs, comms issues, or retailer refusal barriers. The Authority should coordinate a national completion plan for remaining legacy and non-communicating

harder-to-upgrade premises, or are there opportunities to improve coordination between retailers, metering equipment providers, distributors, landlords and consumers?	meters, prioritising hardship, renters and regions with lower penetration. A named accountable party and timeframes are needed - otherwise complex cases will continue to fall between institutional gaps.
Q14. Do you have any further information or evidence on the number and characteristics of consumers affected by access and choice constraints, the circumstances in which these constraints arise, and what happens after a consumer is declined or cannot access a suitable retail service?	No comment.
Q15. Are the three main alternative pathways — prepay, social retailing and exceptional onboarding — sufficient, suitable and sustainable?	No. They are important but small-scale and fragile. Social retailing can provide trusted support, and can solve individual cases, but should not be a substitute for a mainstream right to fair, practical post-pay access. A well-functioning market, especially one for provision of an essential service, should not require consumers to navigate opaque special or ad-hoc pathways simply because they are experiencing financial hardship or limited credit history.

Q16. Are consumer groups, regions, network areas or metering circumstances where consumers currently face limited or no practical pathway to access retail electricity supply? If so, which consumers are most affected and what do they do?	Yes, particularly where poor credit history overlaps with a legacy or non-communicating meter. These circumstances are likely to be most prevalent for renters, rural consumers, and consumers in lower-coverage networks.
Q17. Do prepay customers have sufficient access to innovation and savings?	No. Prepay customers have less choice of providers, access to time-varying pricing, free-hour offers, demand flexibility and other emerging products. If prepay remains an access pathway, it must not become an innovation dead end.
Q18. What role is prepay currently playing for consumers who cannot access standard post-pay electricity services, and what benefits does it provide for those consumers?	Prepay currently serves primarily as a last-resort pathway to electricity for consumers who are unable to access standard post-pay services. Unlike most products and services, electricity prepay consumers receive no financial benefit for paying in advance. At the same time, prepay customers have fewer protections under the Consumer Care Obligations and remain exposed to the risk of auto-disconnections when credit is exhausted. Consumer NZ has previously raised concerns about the safety, equity and consumer welfare implications of auto-disconnection, particularly for households already experiencing financial hardship.

Q19. Is there effective choice and competition in the prepay market, and what are the main operational, commercial, technological or regulatory barriers to offering prepay services?	There is no effective competition in prepay. Prepay options are limited to two providers (Globug is not currently taking on new customers) and is conditional on having a communicating smart meter. The Authority should treat this as a competition issue, not merely a hardship issue.
Q20. To what extent do prepay disconnections reflect consumer choice, budgeting preferences or temporary pauses in use, compared with circumstances where consumers are unable to top up?	We are sceptical of suggestions that prepay auto-disconnections reflect consumer choice. It is not credible. For households, a disconnection occurs because they are unable to top up their account, not because they have willingly chosen to go without electricity. In practical terms, a household seeking to reduce costs by temporarily stopping consumption can simply switch off appliances or use the main switch at the switchboard. It would not make logical or practical sense for a consumer to instead set out to deliberately engineer a disconnection by exhausting prepay credit. Again, for this reason, the term "self-disconnection" is misleading. It implies choice and control that simply does not exist.
Q21. What information are retailers capturing that could help identify when repeated or longer prepay disconnections may indicate affordability pressure,	No comment. We are not a retailer.

difficulty maintaining supply, or other consumer impacts?	
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	Medically dependent consumers should not be on prepay. For safety, MDCs must be post-pay with their stronger consumer-care protections - including not being auto-disconnected.
Q23. Do prepay customers have reduced access to innovation, competition and emerging opportunities to reduce electricity costs? If so, what technical, commercial or regulatory barriers may be preventing retailers from offering more innovative prepay products?	Yes. Prepay customers are excluded from time-varying pricing, flexibility services and other products that will likely become more prevalent as the market evolves. This is also a data access issue: accurate comparison of sophisticated plans requires consumption data, which Consumer NZ and many others have long identified as essential to identify best plan option and likely saving opportunities for consumers.
Q24. Does the use of prepay arrangements to recover previously incurred debt create additional risks for some consumers, and how	Automatic deductions from top-ups reduce the credit available for current essential use, increasing auto-disconnection risk. Debt repayment settings should be transparent, proportionate, affordable and subject to hardship protections. Consumers should not be forced to trade current access to electricity for repayment of historical debt, particularly where prepay is their only pathway to connection.

are debt-recovery settings calculated, managed and communicated to consumers?	
Q25. Should social retailing remain a targeted community-based, industry-led response, or should it become a more substantial national access pathway for consumers who face barriers to standard post-pay electricity?	Social retailing should be supported but not treated as the default answer for households facing difficult circumstances. It can provide valuable community trust, tailored support and innovation, but over-reliance risks creating a two-tier market where consumers in difficulty are diverted away from mainstream retailers. Mainstream retailers must retain responsibility for fair access and consumer care.
Q26. What are the main barriers to scaling social retailing, including access to hedges, prudential requirements, metering capability, funding, referral pathways and operational capability?	Key barriers include access to sufficient wholesale hedges, prudential requirements, working capital, billing systems, metering capability, referral pathways, operational scale and sustainable funding. Metering is especially important: if social retailers cannot practically serve legacy or non-communicating meters, the consumers most in need may still be excluded. Any support package should address both market-entry barriers and the risk of concentrating high-need consumers with a small number of fragile providers.
Q27. What forms of support, if any, would be most effective	Support should focus on enabling capability, not shifting responsibility. Options include access to fair hedging, being able to procure sufficient lower cost hedges so they can scale, prudential relief for

in expanding social retailing without crowding out existing providers or reducing incentives for mainstream retailers to support consumers in hardship?	small/social retailers, referral funding, metering-upgrade support and shared service infrastructure. But any expansion should sit alongside enforceable obligations on all retailers, so social retailing complements rather than replaces mainstream consumer-care duties.
Q28. Are there any other examples of exceptional onboarding for consumers with adverse or limited credit history onto standard post-pay plans, beyond the approaches outlined in this paper?	Consumer NZ is aware that some retailers will offer select households supported onboarding, guarantors, benefit redirection, advocacy referrals, or transition from prepay to post-pay. However, the problem is not a lack of ad hoc mechanisms; it is the lack of transparent, consistent, consumer-facing pathways. Finding support can be a matter of luck, word of mouth, or knowing where to get help, which will not be obvious to many households who suddenly find themselves in difficult circumstances.
Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	Often, they do not. Which households get support and which do not, can be a matter of luck, or knowing who to ask, or having the confidence to ask. Pathways appear to rely on advocates, social agencies, retailer discretion, and/or consumers themselves repeatedly trying different providers or already being connected to support networks. That is not a robust process to obtain connection to an essential service. Consumers who are declined should receive clear information about alternative pathways, reconsideration rights, expected timeframes and available support.
Q30. How are benefit redirections being used to support access to electricity	Benefit redirection may help some consumers, but it should not become a precondition for access to electricity. It can reduce retailer risk while increasing pressure on already constrained household

supply, and are consumers being declined supply if they are unable or unwilling to redirect their benefit?	budgets. Redirection should be a choice, not a condition that pushes households into further debt or hardship.
Q31. How many consumers with adverse or limited credit history are being offered contracts by retailers after third-party advocacy or referrals, and what are the benefits, risks and limitations of this approach?	Advocacy can be effective, but it is an inadequate system, and nowhere near comprehensive or funded enough, to be relied on, or have the systems, to meet the extent of the need. It relies on the consumer finding support, the advocate knowing who to contact, and the retailer exercising discretion.
Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?	Consumer NZ broadly agrees with the proposed outcomes but would sharpen them. The primary outcome should be that all households can readily obtain and maintain electricity supply on fair, transparent and suitable terms. Additional outcomes should include: no consumer being excluded from innovation because of credit or meter status; clear reasons for refusal; effective appeal/escalation pathways; and transparent monitoring of outcomes.
Q33. What international examples of approaches to ensuring electricity access for all consumers do you believe would be appropriate for the	New Zealand should examine default supply or obligation-to-connect models used in Australian markets, adapted carefully for our electricity system. The Authority's Issues Paper identifies default retailer mechanisms and the Australian Default Market Offer as relevant examples. More broadly, a number of overseas jurisdictions have introduced stronger protections to ensure households can maintain access to electricity. In France, Ireland and Ontario (Canada), residential disconnections are prohibited during the coldest months of the year. Spain and Greece provide additional protections for

New Zealand context and why?	vulnerable customers, including low-income households, older people, people with disabilities and those experiencing financial hardship, a much broader category than New Zealand's current medically dependent consumer protections. While these models differ in design, they share a common principle: access to an essential service should not depend on a consumer's ability to satisfy a retailer's commercial risk thresholds. The key design challenge is to ensure every consumer has a clear pathway to electricity supply.
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	Yes, we agree with the six areas. We would add stronger obligations around retailer refusal practices, response times, data provision, and consumer escalation. The smart-meter workstream should explicitly include tenants, regional disparities, upgrade costs and hard-to-upgrade premises.
Q35. Which areas should be prioritised for further work, and why?	The Authority should prioritise: data access; strengthening mainstreaming post-pay pathways; improving protections for prepay users; and removing metering upgrade barriers. These are the areas most directly connected to access, and participation.
Q36. What practical steps, including any quick wins, could improve access and choice in the short term?	Require retailers to report all post-pay refusals; require clear written reasons for declined applications; publish simple consumer guidance on what to do if declined; create a rapid escalation pathway; and require retailers/MEPs to identify and report meter-related refusals.
Q37. What additional information, data and	No comment.

monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	
Q38. What changes could support increased access to mainstream post-pay electricity services, and what role could retailers, government agencies, iwi and other support agencies play?	The Authority should develop a mainstream access framework requiring retailers to make reasonable post-pay offers except where refusal is demonstrably justified. Options include obligation-to-supply rules, default retailer allocation, standard hardship onboarding, risk-sharing, payment plans and transparent refusal criteria.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	Preserve budgeting visibility and debt-control benefits, but add stronger protections: proactive alerts, affordable emergency credit, no avoidable disconnections for medically dependent or high-risk households, clear hardship triggers, limits on debt deductions, and pathways from prepay to post-pay. Consumers should be able to consent to prepay as a genuine choice, not be forced into automatic disconnection because no post-pay retailer will accept them.
Q40. What role should social retailing and community-based models play in improving access and choice, and what are the risks of relying on them too heavily?	Social retailing should remain part of the solution, especially where trusted community relationships improve engagement and support. But the risk of relying too heavily on it is that mainstream retailers avoid responsibility for higher-need consumers, leaving a small number of social retailers to manage disproportionate risk. The Authority should support social retailing while strengthening mainstream obligations.

Q41. Are current incentives for retailers to install communicating smart meters appropriate, and are particular regions, consumer groups or housing situations disproportionately affected by current metering arrangements?	Current incentives are not sufficient for the remaining difficult cases. Commercial incentives may address easy upgrades, but not renters, low-income households, poor wiring, remote areas, landlord consent issues or consumers without a willing retailer. The Energy Hardship Expert Panel recommended identifying and addressing barriers to completing the nationwide smart-meter rollout, and Consumer NZ supports turning that recommendation into a practical, program.
Q42. What opportunities are there for stronger cross agency, community or partnership-based responses to improve electricity access and choice, and what should a well-functioning and inclusive electricity market look like over the next 5–10 years?	A well-functioning electricity market should guarantee practical access to supply, enable consumers to compare and switch easily, and ensure hardship or metering barriers do not exclude people from lower cost options and innovation. Cross-agency work should align electricity regulation, housing, hardship support, health needs, data rights and community advice. In 5–10 years, consumers should expect fair post-pay access, prepay protections, no disconnections for an inability to pay, universal practical meter capability, reliable data portability, and genuine competition that works for all households, not only low-risk consumers.