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Submitted via: consumer.mobility@ea.govt.nz

Electricity Authority
Wellington

Re: Improving Consumer Access and Choice Issues Paper
No one should face issues accessing the electricity they need for health, wellbeing and social participation. All households should have access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer's assistance towards maintaining ongoing essential access when they can't pay. The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has initial and ongoing access to essential electricity services first, then work through necessary adjustments to our electricity market that are needed as a consequence.

FinCap welcomes the opportunity to comment on the Electricity Authority's Improving Consumer Access and Choice Issues Paper (**Issues Paper**). We support work to improve access to electricity. However, work to make sure everyone can access electricity needs more urgency given our most recent *Voices* report findings that whānau are increasingly facing difficulty paying for essentials.[1] Whānau who have struggled to get housing and will struggle to pay to keep housing should not then struggle further to turn on the heater, safely and efficiently store food, and have a warm shower. Recent Reserve Bank of New Zealand analysis attempting to quantify the wellbeing benefits of an accessible cash system need application across to this other, perhaps more vital, essential service.[2]

The Electricity Authority should also consider potential benefits if initial and ongoing access to essential electricity services increases trust. This could lead to stronger engagement with available supports and stronger engagement with incentives to pursue residential electricity supply arrangements that help the system function. Analysis of social cohesion in Aotearoa shows a record low in people trusting government to do the right thing.[3] This likely reflects community discourse, sometimes heard by financial mentors and FinCap, about the appeal of living without connection to the electricity system and using residential generation technology to 'islandise' because whānau do not want to keep paying ever increasing power bills. Such disconnection from the grid,

[1] See: https://fincap.org.nz/assets/FINCAP/Voices-report/FinCap-Voices-Report-2026.pdf
[2] An overview discussion is available p.15 here, with sign posts to the detail: https://consultations.rbnz.govt.nz/rbnz/access-to-cash/user_uploads/keeping-cash-local-consultation-paper.pdf
[3] See: https://www.helenclark.foundation/social-cohesion

could cost far more than normal arrangements for the household in the long term, leave a household with far less consumer protections for reliable essential electricity supply, and contribute to increased prices for all. If consumers are feeling this is the most desirable solution then the Electricity Authority needs to 'shift the dial' to ensure everyone gets the electricity they need. Exclusion issues with our electricity system should also be understood as a health issue because access to electricity can prevent health challenges and avoidable strain on hospitals.

We expand on these comments in response to the Issues Paper questions below.

About FinCap
FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the 183 local, free financial mentoring services across Aotearoa. In 2025 FinCap could see more than 30,654 closed financial mentoring cases in the Client Voices system we provide for most of those services, a 57% increase from 19,543 whānau facing financial hardship and accessing support in 2021. We lead the sector in the training and development of financial mentors, the collection and analysis of client data and encourage collaboration between services. FinCap also works with government and businesses towards greater financial wellbeing in communities.

Questions	Comments
Risks, impacts and market performance	
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.	FinCap agrees but would add: - 'self disconnection' is a misleading term which implies there is real choice for those who are not able to pay. It is better communicated as 'automatic disconnection.' - Some may have had to take whatever housing they can get, then face difficulty accessing any gas supply too due to current market arrangements. We ask that Electricity work with other decision makers so that this access problem, with equivalent consequences, is resolved simultaneously. - The mention of compounding, wider financial hardship and financial exclusion issues could be explored further.
Q2. What evidence is available on the number of consumers affected by these risks, the circumstances in which they arise, and the outcomes consumers experience?	We have already shared some insights from MoneyTalks calls. Otherwise, wider numbers on credit scores, our Voices hardship findings and numerous other reports on financial challenges faced by households can be used to understand the risk from a lack of consumer protections for initial and ongoing access to electricity.

Q3. Are there particular groups of consumers, regions, housing situations or metering circumstances where these risks are more likely to occur?	The issues are widespread, hence the assertion at the beginning of this submission that action to ensure access for all to a post-pay electricity contract at a fair price along with strong minimum standards for their retailer's assistance to maintain ongoing access is needed first, rather than incremental changes that gradually assist to remove barriers. Victim-survivors experiencing economic harm may have impacts on their credit scores amongst other barriers that need more dedicated consideration.[4]
Q4. Do you agree that access and choice constraints may affect retail market performance? Please explain why or why not.	Yes, if consumers placing pressure on retailers to deliver more suitable offerings is needed to make retailers perform well, then intervention is needed to ensure all consumers are able to participate.
Credit history and access to post-pay electricity	
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.	Absolutely. This is happening but people should not be excluded or have to take unreasonable steps to connect on the basis of their credit score. MoneyTalks staff are having to act outside of their scope to advocate that callers are urgently connected to avoid harm.
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	No comment.
Q7. Are there any existing practices, safeguards or support arrangements that are working well to help consumers with adverse or limited credit history access electricity supply?	MoneyTalks can often assist a caller to connect in a reasonably timely manner, but this is an exception from the helpline's usual work and the helpline should not need to do this for the system to work. This also only works where a person happens to navigate to MoneyTalks while seeking to resolve access issues.
Q8. Are you aware of any unintended behaviours or consequences that may arise when consumers cannot access electricity supply in their own name? To what extent does this occur?	Financial mentors have regularly flagged concern that electricity at a household is in someone else's name. The frequency that this has been raised with FinCap by financial mentors appears to indicate a widespread workaround for whānau looking to survive. It risks the consumers in the home having difficulty communicating with their retailer for any multitude of reasons. It also risks financial abuse and breakdown of relationships where those in the home incur debt in someone else's name.

[4] See: https://goodshepherd.org.nz/resources/recognise-economic-harm/

	Some may go on to access in their own name but might only do so by incurring unaffordable loans to private creditors or government assistance which becomes a debt to government issue.[5]
Metering capability and access to services	
Q9. Do you agree that legacy and non-communicating smart meters may be limiting some consumers' access to electricity services, retail plans or retail competition? Please explain why or why not.	Yes, this has been an issue for callers to MoneyTalks and by clients of financial mentors. A common theme in examples shared with FinCap is the client having taken the first housing they could access to then finding that they could then not connect without advocacy from social services support.
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	Stress about keeping housing. Whānau are rightly hesitant to request anything that might heighten the chances of eviction or increased rent in their tenancy arrangement. As our Voices report flags, people are cutting back on other essentials to meet housing costs already. Trust that meters are safe or acting in the consumers' interest. Please see our comments on social cohesion in the introduction of this submission.
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?	FinCap has seen examples where financial mentors or MoneyTalks reach out to contacts at a retailer then see a person offered a post-pay retail arrangement to connect as soon as possible. The Electricity Authority should focus on making sure it is possible for all consumers to connect with very few barriers when faced with old metering problems first, then set up monitoring and work through the metering issues which become more evident.
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?	No comment.
Q13. Are existing arrangements sufficient to address the remaining harder-to-upgrade premises, or are there opportunities to improve coordination between retailers,	The Electricity Authority should focus on making sure it is possible for all consumers to connect with very few barriers when faced with old metering problems first, then set up monitoring and work through the metering issues which become more evident.

[5] See an overview here: https://www.sia.govt.nz/assets/Debt-research-overview-A3-v4.pdf

metering equipment providers, distributors, landlords and consumers?	
Constrained access can affect health, wellbeing and participation	
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?	FinCap analysis found that financial mentoring needs at least $30.5m per year of increased and ongoing funding for financial mentors.[6] Time spent assisting whānau to address, or work around the symptoms of, electricity access issues will be adding strain on our underfunded support services. That risks others who could benefit not being able to access timely financial mentoring support where the financial mentor is occupied by having to navigate electricity access for someone else.
Alternative access pathways	
Q15. Are the three main alternative pathways — prepay, social retailing and exceptional onboarding — sufficient, suitable and sustainable?	No. The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer's assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence.
Q16. Are there 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?	The Authority analysis reflects FinCap's understanding that in some network areas there is heightened risk of not being able to get a connection at all, or without an unreasonable work around. Please see above comments on whānau not being willing to make requests as tenants. People will often try and work around such issues rather than insist on action from their landlord. Please see earlier comments on gas supply issues too. Many will not be able to convert appliances to electricity due to cost or barriers from their landlord. MoneyTalks staff have shared that it is far more challenging to get solutions where this is an issue.
Prepay electricity	
Q17. Do prepay customers have sufficient access to pricing innovation and savings opportunities, including time-varying pricing, demand flexibility, free-hour offers or other emerging	No. Those on prepay because they can't get supply otherwise are 'price takers' in the current arrangements and have no leverage to negotiate more suitable plans.

[6] See: https://fincap.org.nz/assets/FINCAP/Sustainable-Funding/FinCap-industry-co-funding-paper-2026.pdf

retail products? If not, what are the main barriers to making these options available to prepay customers?	
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 with automatic disconnection is a last resort to avoid having no access to electricity. It may help people to monitor their usage but risks hiding energy hardship while ultimately costing whānau more should they incur costs from bad outcomes from underconsumption.
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?	No. Those in prepay markets because they have not been able to find a suitable post pay arrangement have no choice but to accept automatic disconnection when unable to pay. They must accept the price. They might also be debt collected on bills they were unable to pay in the past with each pre pay payment as a contract condition they had no choice but to accept, even where this is meaning they go without the electricity they need now.
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?	With current settings, someone on prepay who cannot pay faces automatic disconnection which does not reflect a choice. This is unacceptable, it can compound the wider problems which see people having this problem in the first place. Some may actively choose to disconnect where they had funds to pay without making trade-offs in paying for other essentials. This doesn’t change our recommendation that urgent work is needed to ensure all have the choice to access post-pay at a fair price along with better consumer care minimum standards for maintaining ongoing access.
Q21. What information are retailers capturing that could help identify when repeated or longer prepay disconnections may indicate affordability pressure, difficulty maintaining supply, or other consumer impacts?	No comment.
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer’s assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence.
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. The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer’s assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence.

Q24. Does the use of prepay arrangements to recover previously incurred debt create additional risks for some consumers, and how are debt-recovery settings calculated, managed and communicated to consumers?	These absolutely increase the risk of underconsumption or inability to pay for other essential services where income is limited (see our Voices report findings). Please see our response to Q.19 too.
Social retailing	
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 has been very helpful for 'myth busting' what support is and isn't possible towards better practice for consumer care or retailing to meet whānau needs in general. It should be supported for this reason but not be seen as the panacea for energy hardship issues. Over emphasising reliance on social retailing as a solution risks creating a 'two tier' market where those with issues must navigate to alternatives rather than having minimal barriers to receiving appropriate early assistance from any retailer they may have contracted with.
Q26. What are the main barriers to scaling social retailing, including access to hedges, prudential requirements, metering capability, funding, referral pathways and operational capability?	No comment.
Q27. What forms of support, if any, would be most effective in expanding social retailing without crowding out existing providers or reducing incentives for mainstream retailers to support consumers in hardship?	No comment.
Exceptional onboarding	
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?	Social retailers have discussed their onboarding processes with us which may offer further points of difference. They are best to share what they have tried and what has and hasn't worked.
Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	Some will find out through a call to MoneyTalks when they are stuck.
Q30. How are benefit redirections being used to support access to electricity supply, and are consumers being declined supply if they are unable or unwilling to redirect their benefit?	FinCap has observed that redirections are being expected in some instances. Our Voices report points out that benefit incomes are not enough to live on so unless a household's circumstances change it is likely that redirections for electricity will mean whānau may end

<table>
<tr><td></td><td>up going into debt to MSD or private creditors to access other essentials. This is likely to increase the risk of financial exclusion as a challenge to household’s wellbeing.

The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer’s assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence. This should not require MSD redirection, it should be a choice, not an ultimatum to make redirection arrangements.</td></tr>
<tr><td>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?</td><td>MoneyTalks might be able to continue to tally calls where this extra support is offered. There are risks and significant limitations to this work around:
- People need to call MoneyTalks
- The conversation needs to reveal this issue (many will be calling for help with another aspect of their finances they wish to work through to help their financial and access issues)
- MoneyTalks staff need to have extra time to reach out to the couple of retailers who have accepted customers unable to access electricity otherwise (outside the scope of their work)
- Discretion and processes at those retailers for exceptions have to function as MoneyTalks staff expect.

A further risk is that this is making a ‘two tier market’ where only some retailers offer those with difficulty paying electricity on a ‘take it or leave it’ terms.</td></tr>
<tr><td colspan="2">Proposed outcomes and areas for improvement</td></tr>
<tr><td>Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?</td><td>‘(a)’ from the list at 6.4 in the Issues Paper should be given the greatest urgency and weight for action so as to reflect our recommendation:

The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer’s assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence.</td></tr>
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Q33. What international examples of approaches to ensuring electricity access for all consumers do you believe would be appropriate for the New Zealand context and why?	A system for allocating guaranteed connection should incentivise all retailers to support their current customers who are having difficulty paying rather than incentivising those retailers to move customers on to another retailer. The cost and harm of retailers deliberately exiting a whānau unable to pay is undesirable. FinCap understands there is a system of 'Financially Responsible Market-Participant/Retailer'[7] in Australian jurisdictions, where the last retailer to service the dwelling must reconnect the property and offer a default contract. We recommend investigation of this option towards the core recommendation we repeat throughout this submission. This system appears to provide a mechanism for proportionately sharing risks across retailers while incentivising ongoing improvement in consumer care at all retailers.
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	We agree but seek resourcing and urgent action is put towards (b) and (c) from the list first. Implementing stronger Consumer Care Obligations to ensure whānau continue to have access after connection should also be added. We also stress recommendation 13 from our Voices report: *The Electricity Authority and others in government urgently work on ensuring everyone has ongoing access to the energy they need for health, wellbeing and social participation through:* *a. a right for all households to connect at a fair price on a post-pay tariff arrangement suitable to their needs* *b. no disconnections for those who are unable to pay, with strong enforcement of mandatory minimum standards of support for whānau facing payment difficulty* *c. prohibiting automatic disconnection of pre-pay customers where thorough monitoring finds automatic disconnection cannot continue without causing or compounding poverty.*[8]

[7] See Sections 33 and 35 in the Victorian Energy Retail Code for example: https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/energy-retail-code-practice
[8] See: https://fincap.org.nz/assets/FINCAP/Voices-report/FinCap-Voices-Report-2026.pdf

Q35. Which areas should be prioritised for further work, and why?	(b) 'strengthening mainstream pathways into post-pay electricity' and (c) 'improving outcomes for prepay customers'
Q36. What practical steps, including any quick wins, could improve access and choice in the short term?	Retailers immediately reporting all instances to the Electricity Authority that can inform the need for improved access.
Q37. What additional information, data and monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	It is great the Electricity Authority is looking to seek information directly from the public and we hope this shows the need for urgent action. However, we note trust issues flagged above in commentary on social cohesion. We also note that cultural norms can see whānau blame themselves for debt issues and not realise the constraints placed on them due to systemic issues around access. MBIE consumer surveys also show the public's confidence around consumer matters may not reflect knowledge.[9] FinCap raises these as factors that need consideration should public responses not clearly identify issues with the status quo. The Electricity Authority might also work with other agencies to see if any information might be available on assistance provided by Work and Income for electricity bills, KiwiSaver withdrawals on grounds of significant hardship or microfinance loans that inform the consequences of current access problems.
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 Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer's assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	Increasing support and communication so that whānau provide consent before each prepay disconnection and are made aware of available supports at the most relevant times.
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?	Please see our response to Q.25.
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?	Any issues here should be dealt with after urgent work to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer's assistance to maintain ongoing access first.

[9] See: https://www.mbie.govt.nz/business-and-employment/consumer-protection/consumer-research-and-reports/nz-consumer-surveys

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?	The Electricity Authority and other relevant decision makers need to urgently act to ensure everyone has access to a post-pay electricity contract at a fair price and strong minimum standards for their retailer's assistance to maintain ongoing access first, then work through necessary adjustments to our electricity market that are needed as a consequence. Acting first can provide insights for all parties to work together on. We encourage the Electricity Authority and Ministry of Social Development to work together with industry and community to reduce the hurdles and problems whānau face when having difficulty paying for, or accessing, electricity.

Please contact Senior Policy Advisor Jake Lilley on jake@fincap.org.nz or 027 278 2672 to discuss any aspect of this submission further.

Ngā mihi,

Fleur Howard
Chief Executive
FinCap