Via email: consumer.mobility@ea.govt.nz

Improving consumer access and choice

1 Introduction and key messages

Mercury welcomes the opportunity to comment on the Electricity Authority's issues paper. We are supportive of the Authority's continuing focus on improving understanding of consumer access and choice in the retail electricity market. Electricity is increasingly important as New Zealand electrifies transport, heating and other end uses. Ensuring that consumers can access and benefit from electricity services will then also become an increasingly important way of participating in modern life. We agree that this makes understanding barriers to access and effective support pathways an important area for further analysis.

Mercury's submission is based on four key themes:

1. **Support for building the evidence base –** Mercury considers that understanding customer pathways and outcomes should be a priority before further interventions are designed.
2. **Focus on customer outcomes as well as choice** – while choice is helpful, it is valuable when it helps people to access the outcomes they want.
3. **Draw on practical experience from customer care and supported onboarding pathways** – support around the customer is often as important as the product itself.
4. **Preserve meaningful consumer choice and diversity of pathways into supply** – choice should ensure that customers can access the products, services and support arrangements that meet their needs and circumstances.

Mercury's experience as a retailer suggests that:

- Customer pathways and interactions with electricity retailers are often more complex than a simple accepted/declined outcome.
- Community organisations and support services (in partnership with retailers) can play an important role in helping customers access and maintain electricity supply.
- Some consumers actively prefer products such as prepay, as it is simple to use and provides good value for money.
- Different customers benefit from different products and support arrangements.

Our view is that future interventions should be evidence-based, proportionate, and focused on improving meaningful outcomes for customers.

2 Support for building the evidence base

Mercury agrees with the Authority's decision to focus initially on understanding the problem before considering interventions. The issues paper identifies a number of important evidence gaps that should be addressed before any regulatory action is progressed.

Understanding what happens after a decline should be prioritised before further intervention

One of the most important gaps relates to customer outcomes following credit-related declines. While information exists on the number of applications declined, there is less visibility of:

- Whether consumers ultimately obtain supply through that retailer or are accepted by another retailer.
- Which pathways they use.
- Whether they obtain supply via a social retailer.
- Whether they are supported through advocacy pathways.
- Whether they are ultimately unable to access supply.

A credit-related decline by one retailer does not necessarily mean a consumer is unable to access electricity supply. Mercury's experience is that while some customers are initially declined when they apply, the majority are eventually connected. This suggests that understanding what happens after an initial decline should be a priority before further intervention is designed. As some applicants may eventually be connected by another retailer, there is a risk that the number of declined applicants is higher than the number of customers that remain unconnected. Credit agencies may be able to provide more information on the number of individuals with multiple electricity company declines.

Distinguishing between different customer pathways

Care needs to be taken when interpreting data, so that the diversity of customer pathways is well understood. The process through which customers access electricity supply can vary, from standard approvals, through to supported onboarding, advocacy referrals, and accessing wider support services. Customers may abandon applications or fail to complete certain requirements such as identity verification processes. Some customers may be accepted by other retailers. Different outcomes may require different policy responses.

Understanding customer preferences

Mercury encourages the Authority to gather more evidence on customer preferences. Access and choice are not solely determined by the number of available products. They are also influenced by whether products meet customer needs at a given point in time, and whether customers perceive them as useful, accessible and practical. In a competitive market, there should be a wide range of products and services to meet a diversity of customer needs.

Existing reporting and monitoring data should be used

Mercury encourages the Authority to make full use of existing information before introducing additional reporting requirements. The retail sector already provides significant volumes of information through:

- Consumer Care Obligations annual reporting;
- Retail market monitoring reporting; and
- Other regulatory information requests.

3 Focus on customer outcomes

Access and wellbeing of customers should remain central

Mercury supports the Authority's focus on consumer access. However, Mercury also considers that access to electricity, continuity of supply and customer wellbeing need to be considered in a holistic way, with consideration of the wellbeing and preferences of customers.

Not all customers seek active engagement

The issues paper frequently refers to participation, engagement and access to innovation. While these outcomes may be important for many customers, Mercury notes that:

- Not all customers wish to actively manage their electricity usage.
- Some customers have limited time, capability or interest in engaging with energy products.
- Some customers may actively prefer simpler arrangements.

A well-functioning and competitive market should deliver good outcomes for both highly engaged and less engaged consumers. The issues paper often focuses on participation in the market and access to emerging products and services. While this is important, Mercury considers that a well-functioning market should also recognise that customers have different objectives and preferences. We note that this was considered in detail as part of the Electricity Price Review in 2018. The success of a retail product should be assessed not only by the extent to which it promotes participation, but also by whether it enables customers to achieve the outcomes that matter to them. Preserving a diversity of products and pathways can help to ensure that the retail market remains responsive to a broad range of customer needs.

4 Mercury's practical experience

Mercury's Here to Help team supports customers to find practical solutions

Mercury's experience suggests that tailored support can improve outcomes for customers experiencing financial stress while maintaining access to an essential service.

Mercury has a dedicated team, named Here to Help, which provides tailored support to customers experiencing payment difficulties. The approach includes:

- Dedicated specialist support.
- Tailored payment arrangements.
- Support to ensure customers remain connected while solutions are developed.
- Assistance with identifying suitable products and pricing arrangements.
- Connections to wider support services where appropriate.

Supported onboarding pathways can be effective when combined with other support services

Mercury's experience suggests that supported onboarding pathways can be effective when combined with advocacy, financial mentoring and wider community support services. Mercury has developed supported onboarding pathways for customers who may not satisfy standard onboarding requirements. Referrals come from a range of community organisations, including MoneyTalks, Kāinga Ora, Salvation Army, and other community housing and financial mentoring service providers. During FY2026, Mercury accepted approximately 600 customers through advocacy and community referral pathways.

Community partnerships play an important role

Mercury agrees with the Authority that community organisations play an important role. Successful outcomes can arise when retailers work in partnership with community organisations and customers. Mercury's experience is that the support provided by these community organisations often extends well beyond electricity, helping customers navigate housing, budgeting, governmental assistance and wider financial challenges. This broader support can play a significant role in sustainable long-term customer outcomes.

Alternative credit assessment approaches can also provide pathways to connections

Mercury has also explored alternative onboarding approaches through a transaction-score trial. The trial onboarded 107 customers who had failed Mercury's standard credit assessment process but demonstrated positive payment behaviour through transaction-based data.

After twelve months approximately three quarters remained active customers of Mercury. While the cohort exhibited higher levels of arrears than other onboarding cohorts, the trial demonstrated that some customers who would otherwise have been declined were able to maintain an ongoing electricity account. Overall, the trial demonstrated that alternative assessment approaches can provide viable access pathways for some customers who might otherwise be declined through traditional credit scoring processes.

5 Preserving meaningful customer choice and pathways into supply

As noted in earlier in this submission, Mercury encourages the Authority to focus on outcomes and lifting customer welfare, always with reference to what customers want and need.

Prepay

Mercury encourages the Authority to focus on outcomes rather than assumptions around particular product types. Prepay is a good example of this. As the issues paper notes, prepay remains a relatively small segment of the market, with Mercury having around 13,000 customers using Mercury's own prepay brand, GLOBUG. The Authority's analysis does not indicate a material pricing premium for prepay customers. Mercury's experience suggests that some customers actively prefer prepay products, for reasons such as simplicity, visibility of spending, value for money, and certainty and control. Mercury's experience with handling GLOBUG enquiries suggests that some customers continue to seek prepay products even when they may be able to access post-pay alternatives.

Smart meters

Mercury supports continued smart meter uptake and recognises the benefits that smart meters deliver to consumers and the electricity system. However, the remaining non-smart-meter population reflects a range of circumstances:

- Some consumers actively choose not to install smart meters; and
- Practical and site-specific barriers remain.

Not all remaining legacy meters necessarily represent a policy issue or market failure. Any future interventions should recognise both consumer choice and practical implementation challenges.

Mercury notes that access to future energy services is not solely determined by whether a customer has a smart meter installed. The capability and configuration of metering and associated technologies can affect the range of products and services available to customers. As the electricity system evolves, there may be merit in considering whether minimum capability standards are needed for new metering, metering installation, and related technologies to ensure consumers are not unnecessarily excluded from innovations and flexibility services.

Social retailing

Mercury recognises the valuable role that social retailing plays in the electricity market. Social retailing encompasses a range of models and approaches. It can be very effective in reaching some customers who may not be best served by the traditional retail market. The key issue should be improving long-term customer outcomes rather than the use of a particular service delivery model. Mercury also notes that successful outcomes for vulnerable consumers are often supported by broader networks of community organisations, support agencies and advocacy services.

6 Conclusion

Mercury supports the Authority's work to better understand consumer choice and access. Before developing regulatory interventions, the Authority should prioritise improving the evidence base, particularly customer outcomes following declines and alternative pathways into supply.

Mercury's experience suggests that customer outcomes are influenced not only by products and pricing, but also by practical support arrangements, community partnerships and the availability of multiple pathways into supply.

Future interventions should remain evidence-based, proportionate, focused on lifting consumer outcomes and welfare, and supportive of meaningful consumer choice.

Nāku noa, nā

Evealyn Whittington

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Consultation questions

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.	**Mercury agrees that constrained access to electricity supply can have significant impacts on consumers, particularly as electricity becomes increasingly important for participation in modern life. However, care should be taken to distinguish between customers who face a temporary barrier with one retailer and those who are genuinely unable to access electricity supply. More evidence is needed to understand the scale of any problem and the customer outcomes that result.**
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?	**The issues paper identifies important evidence gaps regarding what happens after a customer is declined. Mercury's view is that understanding subsequent outcomes would be very helpful. While retailers hold information on application volumes and onboarding outcomes, there is often limited visibility of the pathways customers subsequently take. For example, a customer who is declined by one retailer may ultimately obtain supply through another retailer, through a supported onboarding pathway, through advocacy from a community organisation, or through other alternative arrangements.** **While some applicants are initially declined, in Mercury's experience, the majority are eventually connected. An initial decline does not necessarily represent a final outcome. Customer journeys can be more complex than a simple accepted or declined categorisation.** **Some customers who have been initially declined are subsequently accepted through advocacy and referral pathways involving community organisations and financial mentors. Mercury has also trialled an alternative onboarding approach using transaction-based credit assessment data, through which 107 customers who did not meet standard credit criteria were successfully onboarded.** **Mercury's view is that future work should focus not only on the number of consumers who encounter barriers, but also on understanding the outcomes they ultimately experience and the pathways to supply.**
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.	**Credit assessments can limit access to some products and services. However, as noted above a credit-related decline does not necessarily mean a customer is unable to obtain electricity supply.**
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	**Mercury considers a range of factors when making onboarding decisions, including credit assessment outcomes, identity verification, and customer circumstances. We note that onboarding outcomes are often more nuanced than a simple accept-or-decline decision. Customers may be accepted following additional review, advocacy referrals, alternative assessment mechanisms or supported onboarding pathways. Mercury's FY2026 experience included approximately 13,200 initial credit declines, but only around 3,400 customers ultimately remained declined.**
Q7. Are there any existing practices, safeguards or support arrangements that are working well to help	**Mercury considers that dedicated customer support teams, community partnerships and supported**

consumers with adverse or limited credit history access electricity supply?	**onboarding arrangements are making a positive contribution to access outcomes.** **Mercury's Here to Help team provides tailored and personalised support to customers experiencing payment difficulties. This can include payment plans, assistance identifying appropriate products and referrals to wider support services. Mercury also works closely with a wide range of community organisations and NGOs. These organisations can provide broader social, budgeting and advocacy support in addition to helping customers 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 what extent does this occur?	**Mercury is aware that some customers may rely on friends, family members or informal arrangements where they cannot readily access supply in their own name. Additional evidence would be helpful to understand the extend of these behaviours and the outcomes experienced by affected consumers.**
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.	**Mercury agrees that, in some circumstances, legacy and non-communicating smart meters may limit access to some products and services. However, the remaining population of affected meters reflects a wide range of circumstances, including customer preference, connectivity issues and site-specific barriers. Mercury does not consider that all remaining legacy meters necessarily represent a market failure.**
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	**Mercury understands that barriers can include customer preference, access issues, connectivity challenges, property-specific constraints and technical limitations. These barriers are often highly location-specific and may require different solutions depending on the circumstances.**
Q13. Are existing arrangements sufficient to address the remaining harder-to-upgrade premises, or are there opportunities to improve coordination between retailers, metering equipment providers, distributors, landlords and consumers?	**Mercury supports continued coordination between retailers, metering providers, distributors, landlords and consumers. However, Mercury also notes that some remaining barriers appear to be highly site-specific and may not be easily addressed through additional coordination alone.**
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?	**Mercury considers that the most significant information gap is understanding what happens after a customer is declined. A decline by one retailer does not necessarily indicate that a customer is unable to access supply. Future work should focus on understanding customer pathways and outcomes rather than onboarding alone.**
Alternative access pathways	
Q15. Are the three main alternative pathways - prepay, social retailing and exceptional onboarding - sufficient, suitable and sustainable?	**Mercury notes that the alternative pathways into supply may not neatly reflect the full spectrum of options being used by retailers to help customers access supply. For example, Mercury has trialled an alternative credit assessment approach using transaction-based data.** **Different pathways can serve different purposes and support different customer groups. Mercury's experience suggests that there is value in maintaining multiple pathways into supply and that this can improve customer outcomes. As previously noted, the key consideration should be the outcomes experienced by customers rather than the existence of a particular delivery model.**
Prepay electricity	
Q17. Do prepay customers have sufficient access to pricing innovation and savings opportunities, including	**Mercury acknowledges that prepay customers may not currently have access to the full range of**

time-varying pricing, demand flexibility, free-hour offers or other emerging retail products? If not, what are the main barriers to making these options available to prepay customers?	**innovative pricing products and services that are available in some post-pay offerings.** **However, Mercury's experience suggests that the key value proposition of prepay is often different from that of innovation-focused retail products. Many customers value prepay because it is simple, easy to understand, and good value for money.** **In Mercury's experience, simplicity can itself be an important customer benefit. While access to innovation is an important consideration, the Authority should also recognise that different customers value different product attributes and that not all customers prioritise sophisticated pricing structures or active participation in energy markets.** **Mercury therefore encourages the Authority to assess prepay products based on overall customer outcomes and satisfaction, rather than solely on the extent to which they provide access to emerging retail innovations.**
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?	**Mercury's experience suggests that some customers actively prefer prepay products. Customers may value visibility of spending, budgeting assistance, simplicity, certainty and control. Mercury also notes that prepay remains a relatively small segment of the market and is a value-for-money option for customers.**
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?	**Mercury agrees that prepay remains a relatively small and specialised market segment. There is likely to be a range of reasons as to whey retailers choose not to offer a prepay service.**
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?	**Retailers may hold information relating to disconnections, reconnections, top-up behaviour, payment patterns and customer contacts. Mercury considers further work would be useful to determine which indicators are most strongly associated with affordability pressure and poor customer outcomes.**
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	**Mercury supports safeguards for medically dependent consumers, and takes its responsibilities for ensuring connection for these customers very seriously.**
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?	**Mercury acknowledges that some prepay products may provide less access to certain innovative pricing arrangements and emerging retail offerings than some post-pay products.** **However, Mercury considers it important to recognise the trade-offs involved. Mercury's prepay offering has historically been designed to be a simple, easy-to-use product that enables customers to understand their electricity usage and manage their expenditure. For many customers, these features are a key part of the product's appeal.** **The question is therefore not simply whether prepay customers have access to the same products as post-pay customers, but whether customers are able to access products that meet their needs and help them achieve positive outcomes.** **Mercury encourages the Authority to ensure that future assessments of prepay consider both access to innovation and the value that some customers place on simplicity, transparency and ease of use.**

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?	**Mercury recognises that debt recovery arrangements within prepay products require careful management and clear communication. Historically, GLOBUG's terms and conditions provided that where a customer was required to use the prepay service because of outstanding debt under another electricity service plan, a minimum of 25% of each top-up payment (or a higher proportion if nominated by the customer) could be applied towards repayment of that debt, with the remainder applied to electricity supply. Customers were informed of these arrangements through the product terms and conditions.**
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?	**Mercury recognises the valuable role social retailing plays and considers that multiple pathways into supply can coexist. The key issue should be customer outcomes rather than the specific delivery model adopted.**
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?	**Mercury has experience with several exceptional onboarding approaches, including advocacy referrals from community organisations and an alternative credit assessment trial using transaction-based scoring data. Mercury's experience suggests that some customers who would not satisfy standard onboarding criteria can nevertheless successfully maintain an electricity account. However, we also note that a significant proportion of the sample group were overdue on their account at the end of the 12-month trial.**
Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	**Community organisations, financial mentors, budgeting services and advocacy groups often play an important role in connecting consumers with available pathways.**
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?	**Mercury will connect any customer who comes through a community referral. Mercury's experience suggests that these arrangements can provide practical access to supply when combined with broader support services such as budgeting assistance or mentoring.**
Proposed outcomes and areas for improvement	
Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?	**Mercury generally supports the proposed outcomes. However, we encourage the Authority to focus on customer outcomes and wellbeing rather than participation and engagement alone. Different customers will have different preferences and needs.**
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	**Mercury agrees with the proposed areas for improvement. However, we would also encourage the Authority to consider consumer needs and preferences as part of this work.**
Q35. Which areas should be prioritised for further work, and why?	**Mercury considers that the highest priorities for further work should be:** • **Understanding customer preferences.** • **Making greater use of existing reporting and monitoring information.** • **Understanding customer outcomes following declines.** • **Understanding the effectiveness of alternative pathways into supply.**
Q37. What additional information, data and monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	**Please see our answers to questions 35 and 36. We would also encourage increasing the understanding of outcomes experienced by customers using prepay, social retailing and other access pathways.** **We would also encourage better understanding of industry practice with respect to disconnection. For**

	example, Mercury does not disconnect customers who are in hardship.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	**Future work should focus on customer outcomes while preserving the features that customers value. Not all prepay customers have the same needs or preferences. Mercury's experience is that many prepay customers value the service and prefer it to other alternatives.**
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?	**Community-based models and social retailers can play a valuable role alongside mainstream retailers. Mercury's experience suggests that successful outcomes are often supported by broader networks of community organisations, financial mentors and support agencies.**
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?	**Mercury considers that a well-functioning market should:** • **Provide reliable access to electricity supply.** • **Support a diversity of customer needs and preferences.** • **Offer multiple pathways into supply.** • **Encourage innovation while preserving meaningful customer choice.** • **Ensure vulnerable consumers have access to appropriate support when needed.** • **Ensure that retailers across the market are exposed to proportionate costs, and all contribute to ensuring that the electricity market is inclusive and meets the needs of consumers.**