Appendix A Submission form

Improving Consumer Access and Choice

Submitter	SmartMeasures Pty Ltd, Libby Dale, Co-founder | libby.dale@smartmeasures.ai SmartMeasures is an Australian predictive AI and behavioural science company working with energy retailers to identify customers at risk of progressing into serious arrears and enable earlier intervention.

All questions are optional. Please answer as many or as few as you wish. Thank you.

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.	
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?	
Q3. Are there particular groups of consumers, regions, housing situations or metering circumstances where these risks are more likely to occur?	
Q4. Do you agree that access and choice constraints may affect retail market performance? Please explain why or why not.	
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.	**The issue is not credit assessment itself, but how much weight is placed on it at acquisition.** **Yes.** The Authority's data indicates that credit-related assessments are limiting access to standard post-pay electricity. At the same time, retailers have a legitimate need to manage payment and bad-debt risk. We therefore do not see the issue as simply one of reducing or removing credit assessment. The more important question is whether too much of the risk-management decision is being made at the point of acquisition, when the retailer has limited

	information about how that particular consumer will actually behave as a customer. Credit history is necessarily based on past circumstances. A consumer who has experienced financial difficulty in the past may subsequently manage their electricity account successfully, while a consumer accepted with a strong credit history may later experience financial stress. We believe there is an opportunity to shift some of the emphasis from **predicting risk before a consumer is accepted to identifying and managing emerging payment risk after the customer relationship has begun**. Once a consumer is a customer, retailers have access to a much richer range of first-party operational and behavioural information. Changes in this information can help identify emerging financial stress earlier, creating an opportunity to intervene and provide appropriate support before debt becomes serious. This potentially creates a better balance between two legitimate objectives: **giving more consumers access to mainstream post-pay electricity while enabling retailers to manage the additional credit risk that broader access may create.**
Q6. What factors influence whether a retailer accepts, declines or offers alternative arrangements to a consumer following a credit-risk assessment?	**The choice should not be "decline" or "accept and hope".** SmartMeasures does not have visibility of the individual credit policies or decision frameworks used by New Zealand electricity retailers. However, we would expect an important factor to be the retailer's assessment of both the likelihood of future non-payment and its ability to manage that risk once the consumer becomes a customer. At the point of acquisition, retailers have relatively limited information about how an

	individual consumer will actually behave as an electricity customer. Credit history can provide an indication of past financial circumstances, but it is necessarily an imperfect proxy for future payment behaviour. This creates an important connection between access and retailers' capabilities after onboarding. If a retailer has limited ability to identify emerging payment difficulty until arrears have already escalated, declining a higher-risk applicant or offering an alternative arrangement may be one of the few ways available to reduce exposure. Conversely, stronger capability to identify changes in customer behaviour and emerging financial stress early can give retailers another way to manage that risk. Rather than choosing between declining a consumer and accepting them without adequate risk controls, retailers can accept a broader range of consumers while regularly reassessing payment risk as new information becomes available and intervening before payment difficulty develops into serious arrears. In our view, this post-onboarding risk-management capability should be considered as part of the broader discussion about improving access to mainstream post-pay electricity.
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?	
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?	
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.	
Q10. What are the most prevalent barriers to upgrading legacy meters or restoring communication capability to non-communicating smart meters?	
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?	
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?	
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?	
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?	
Alternative access pathways	
Q15. Are the three main alternative pathways — prepay, social retailing and exceptional onboarding — sufficient, suitable and sustainable?	

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?	
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 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?	
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?	
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?	
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?	
Q22. Are additional pathways, safeguards or protections needed to reduce the risk that medically dependent consumers are placed on, or remain on, prepay arrangements?	
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?	
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?	
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?	
Q26. What are the main barriers to scaling social retailing, including access to hedges, prudential requirements, metering capability, funding, referral pathways and operational capability?	
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?	
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?	
Q29. How do consumers find out about what onboarding opportunities are available to access standard post-pay plans?	
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?	
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?	
Proposed outcomes and areas for improvement	
Q32. Do you agree with the proposed outcomes, and are there additional consumer outcomes the Authority should consider?	
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?	
Q34. Do you agree with the proposed areas for improvement, and are there additional areas the Authority should consider?	**Add post-onboarding payment risk management as an area for improvement.** We broadly agree with the proposed areas for improvement. In particular, we support the focus on strengthening mainstream pathways into post-pay electricity supply. We suggest the Authority also explicitly consider strengthening retailers' capability to manage payment risk after a consumer has been accepted. This is an important counterpart to improving access. If retailers are encouraged to accept a broader range of consumers, including some who may currently be assessed as presenting higher credit risk, they need effective ways to manage that risk without waiting until significant arrears have accumulated. The opportunity is to move from relying predominantly on a risk assessment made at acquisition to a more dynamic approach throughout the customer relationship. Once a consumer becomes a customer, retailers have access to substantially more information about their actual account activity and changing circumstances. This creates the potential to identify emerging financial stress earlier and intervene before

	payment difficulty progresses into serious debt. However, early identification alone is not sufficient. Effective early intervention also requires customer engagement that reflects the consumer's circumstances, frontline capability to have appropriate conversations about payment difficulty, and support programs that give consumers realistic pathways to resolve or manage that difficulty. For example, a consumer experiencing payment difficulty for the first time may require a different approach from someone who has previously used payment plans or hardship support. The ability to recognise these differences and provide an appropriate response can influence whether early intervention actually prevents debt escalation. We therefore suggest that **early identification, effective engagement and appropriate support for emerging payment difficulty** be considered together as an additional area for improvement.
Q35. Which areas should be prioritised for further work, and why?	**Prioritise broader mainstream access, supported by better early intervention.** We believe priority should be given to increasing consumers' access to mainstream post-pay electricity, while strengthening retailers' ability to identify and respond to emerging payment difficulty after onboarding. Alternative pathways such as prepay, social retailing and exceptional onboarding can play an important role for some consumers. However, where possible, consumers should be able to access the same mainstream electricity market, products and choices available to other households. Achieving this sustainably requires attention to both sides of the equation. Retailers need confidence that accepting a broader range of

	consumers does not simply transfer greater financial risk into the collections process. At the same time, consumers should not be excluded primarily because of an assessment made before the retailer has had an opportunity to observe their actual behaviour as a customer. We therefore believe priority should be given to developing the capabilities that allow payment risk to be managed earlier and more dynamically. This includes identifying customers showing signs of emerging financial stress, engaging them early in a way that encourages a response, and ensuring appropriate support is available once they engage. This approach has the potential to improve access while also reducing the likelihood that payment difficulty progresses into serious arrears, hardship or disconnection. The objective should not simply be to increase the number of consumers accepted onto post-pay electricity. It should be to make broader access sustainable for both consumers and retailers.
Q36. What practical steps, including any quick wins, could improve access and choice in the short term?	
Q37. What additional information, data and monitoring would help to improve understanding, practices and outcomes in relation to access and choice?	**Monitor what happens after onboarding, not only who is declined.** Better information is needed to understand both the extent of the access problem and what happens to consumers after they are accepted onto mainstream post-pay electricity. At a market level, it would be useful to understand not only how many applications are declined for credit-related reasons, but what subsequently happens to those consumers. For example, whether they obtain supply from another retailer, move to prepay or another alternative arrangement, obtain supply in another person's name, or

	remain unable to access an appropriate service. This would provide a clearer picture of the actual consumer impact of credit-related decisions. There is also an opportunity to improve how payment risk is monitored after onboarding. Once a consumer becomes a customer, retailers generate a rich body of first-party operational and behavioural data through the normal customer relationship. This can include billing and payment activity, energy usage, digital engagement, contact history, service interactions and other behavioural signals. Importantly, it is often the **change in these signals over time**, rather than any single data point, that indicates a customer's circumstances may be changing. Customer circumstances are not static. Payment behaviour, energy usage, digital engagement, contact patterns and other operational signals can change as a customer's financial position changes. Predictive AI can regularly reassess these changing patterns as new data becomes available, allowing emerging payment risk to be identified earlier. In SmartMeasures' case, multiple AI models work together to assess changes across a broad range of customer signals and identify customers whose payment difficulty is more likely to progress into serious arrears. This creates a fundamentally different approach from a one-off credit assessment at acquisition: **risk can be reassessed throughout the customer relationship as the customer's circumstances change.** This creates an opportunity for retailers to engage earlier, when there may be more options available to both the customer and the retailer. Monitoring should therefore extend beyond traditional measures such as arrears

	balances, days past due and disconnections. It should also consider whether retailers are able to identify emerging payment difficulty early, whether customers engage when contacted, what forms of support are subsequently used, and whether early intervention reduces progression into more serious debt. Over time, this information could also help the Authority understand whether broader access to mainstream post-pay electricity can be achieved without a corresponding increase in serious arrears or disconnection. In our view, better use of the information generated after onboarding is an important part of moving from a largely static assessment of credit risk at acquisition to more dynamic, evidence-based management of payment risk throughout the customer relationship.
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?	**Broader access needs to be matched by better management of payment risk.** Increasing access to mainstream post-pay electricity should not require retailers simply to accept greater unmanaged credit risk. A more sustainable approach is to combine broader access with stronger capability to identify, engage and support customers if payment difficulty subsequently emerges. Retailers have an important role because, once a consumer has been onboarded, they are in a unique position to observe changes in that customer's behaviour over time. As outlined in our response to Q37, predictive AI can use changing operational and behavioural signals to identify customers whose payment difficulty is more likely to progress into serious arrears. This creates the opportunity to intervene earlier. However, prediction alone is not enough. Earlier identification needs to be connected to effective engagement, frontline staff who can respond appropriately to

	different customer circumstances, and support programs that provide realistic options for customers experiencing payment difficulty. This is particularly important for consumers who may be experiencing financial difficulty for the first time. Their needs, knowledge and willingness to engage may be very different from those of consumers who have previous experience with payment plans, hardship programs or other forms of support. Government agencies, iwi and community or support organisations can play a complementary role by helping ensure consumers can access appropriate financial, social and community support where needs extend beyond what an electricity retailer can provide. They may also provide important referral pathways for consumers who are reluctant or unable to engage directly with their retailer. The Authority could also consider encouraging controlled trials in which retailers broaden access for consumers who might otherwise be declined, while strengthening post-onboarding identification, engagement and support. The outcomes could then be measured, including payment performance, engagement, use of support, progression into serious arrears and disconnection. This would provide evidence on whether better management of payment risk after onboarding can enable retailers to extend mainstream access without creating unacceptable outcomes for either consumers or retailers. The objective should be to move away from a binary choice between **excluding risk at acquisition and accepting risk without adequate controls**. A more dynamic model can give more consumers access to mainstream electricity while managing

	payment risk throughout the customer relationship.
Q39. How could outcomes for consumers using prepay electricity be improved while preserving any benefits that consumers value?	
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?	
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?	
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?	**An inclusive market should manage risk throughout the customer relationship, not mainly at the front door.** Over the next 5–10 years, a well-functioning and inclusive electricity market should aim to give more consumers access to mainstream post-pay electricity while ensuring that payment difficulty is identified and addressed before it becomes serious debt. This will require more than changes to credit assessment alone. It will require a stronger end-to-end approach to payment risk: identifying emerging financial stress early, engaging consumers in ways that encourage them to respond, and connecting them with appropriate support. Retailers should remain central to this process. They hold the ongoing customer relationship and the operational and behavioural information that can help identify when circumstances are changing. Predictive AI can help retailers use this information to reassess payment risk as customer circumstances change, rather than relying predominantly on a point-in-time

	assessment made before the relationship begins. Community organisations, iwi, government agencies and other support providers can complement this role. Retailers cannot and should not be expected to address every underlying cause of financial difficulty. Stronger referral pathways and partnerships can help connect consumers with broader financial, social or community support when required. Importantly, these partnerships should support mainstream participation rather than create a separate system for consumers considered higher-risk wherever that can reasonably be avoided. A more inclusive market would therefore be one in which: • fewer consumers are excluded from mainstream post-pay electricity solely because of past financial difficulty • emerging payment risk is identified earlier as circumstances change • customers receive engagement appropriate to their situation • frontline teams have the capability and support options needed to respond effectively • consumers can be connected easily to external support where their needs extend beyond the retailer • success is measured not only by debt recovery or disconnection, but by whether payment difficulty is prevented from escalating. The longer-term opportunity is to move from a model that primarily manages payment risk by deciding who to accept, to one that also manages risk intelligently throughout the customer relationship. That shift could support both greater consumer access and more sustainable outcomes for retailers.